FINANCIAL TIMES

Europe's Business Newspaper

UK and Germany warn of dangers if trade talks fail

Britain and Germany warned that failure to reach agreement on the Uruguay Round of trade talks on December 15 would have "intolerable" consequences for the developing world. It would perpetuate recession in western Europe and lead to protectionist measures. Page 18

Petrochemicals agreement near: Europe's petrochemicals industry is close to agreeing plans aimed at reducing losses running at hundreds of millions of dollars a month. Page 18

Four-day week at VW: Volkswagen and the IG Metall engineering union agreed a framework deal to cut working times in VW's six German works by 20 per cent temporarily, but gave strikingly different views on how it would affect wages and costs. Page 18



Anthony Burgess, one of Britain's greatest and most prolific writers, died in London aged 76 after a long illness. He had been suffering from cancer. Burgess, author of the controversial novel *A Clockwork* Orange, wrote more theatre, television drama and criticism. He was also a composer, translator, linguist and

Joycean critic. Obituary, Page 15 Japanese bank profits fall: Japan's leading

banks reported sharply lower profits as the level of problem loans continued to rise, forcing them into the unusual step of writing off loan losses.

Commerzbank, the smallest of Germany's big three banks, reported a 52 per cent rise in operating profits to DM909m (\$538m) in the 10 months ended October. Page 18 Spain's unions march: Spain's two biggest unions staged marches in 50 Spanish cities against

the government's economic policy. Some 40,000 were estimated to have marched in Madrid and nearly 60,000 in Barcelona. Page 3 Euro Disney turbulence: Euro Disney, the troubled leisure group, had another turbulent

ession on the Paris stock market when its shares fell sharply by 13 per cent during the morning only to bounce back in the afternoon to close 8 per cent higher. Page 20 Shanghai contract for Japanese: A consortium of seven Japanese companies has won a contract worth an estimated \$500m to \$600m

Monitors for Russian poli: Up to 1,000 international observers are expected to descend on Russia to monitor next month's elections, at President Boris Yeltsin's invitation. Page 2

to supply equipment for a new steel production

facility at the Baoshan complex, near Shanghai.

micals group, expects profits to fall by about 20 per cent this year to DM2.2bn (\$1.3m) and remain unchanged in 1994, according to chairman Manfred

Write-offs hit Canadian bank: Write-offs stemming from the acquisition of a trust company and a discount brokerage firm helped push Toronto-Dominion Bank's fiscal 1993 earnings down by almost a third. Page 22

Refugees dying: More than 100 Burundian refugees are dying of disease and malnutrition each day in crowded camps in Rwanda, the United Nations refugee agency said in Geneva. About 700,000 Burundians fled their country after a failed coup in October touched off ethnic clashes.

Printemps venture: Pinault-Printemps. the dynamic but heavily indebted French retail group. is considering plans to enter the home shopping market by launching a television shopping service through La Redoute, its mail order subsidiary.

Citic stake in Swire Aviation: China's involvement in Hong Kong's aviation industry deepened with Citic Pacific's HK\$120m (\$15m) acquisition of a 30 per cent stake in Swire Aviation,

Mexico banks plan: Mexico is set to open up its financial system to foreign competition early next year. The finance ministry plans to give licences to as many as 25 US and Canadian

Zinc smelters deal: MIM Holdings, the Australian metals group, and Germany's Metaligesellschaft, which holds a 14.9 per cent in MIM, are negotiating to swap interests in two lossmaking German zinc smelters which they own on a joint

STOCK MARKET INDI	CES	B GOLD	
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Oil prices fall almost \$1 to five-year low BAe signs

By David Lascelles in London and Robert Corzine in Vienna

Markets hit as Opec fails to agree production cuts

Oil prices dropped to their lowest point in five years yesterday as the markets reacted with disappointment to Opec's failure to reach agreement on production

The benchmark Brent crude price fell nearly \$1 in early trad-ing to \$14.18 on the overnight news from the oil cartel's headquarters in Vienna, though it recovered slightly to close at \$14.48. The \$14.18 price was its lowest point since autumn 1988 when Opec overproduction also sent prices into decline. Opec members dispersed yesterday

on a new production ceiling. This was despite the steady fall in the oil price since the last Opec ministerial meeting in Sept communiqué said that the Sep-tember output celling of 24.52m barrels a day was "reasonable and objective" and should be

given time to work. Mr Peter Gignoux, head of the energy desk at stockbrokers' Smith Barney in London, described yesterday's market reaction as "a vehement backlash to Opec's indecision", which raised questions as to whether Opec wished to remain a cartel. Mr Mehdi Varzi, research director at Kleinwort Benson Securities in London, called the Opec decision a "disaster" which could lead to a price collapse similar to one in 1986, when prices fell below \$10 a harrel.

He said Opec was "suffering rom an absence of leadership" and persistently low prices would force an emergency session well before the next scheduled conference at the end of March.

Most ministers refused to be drawn on what they might do if low oil prices. Mr Ali Ahmad Al-Baghli, the Kuwaiti minister, said he "hoped the fundamentals would rectify the situation". although he said some Opec producers which are close to their capacity might make voluntary production cuts.

Most analysts interpreted Opec's decision as a move away from an emphasis on price to a strategy of protecting market share. Growing output by inde-pendent producers, including the UK, has upset Opec, which

efforts to shore up prices.

The change of emphasis also reflects the fact that Iraq will eventually have to be reintegrated into Opec's production ceiling once United Nations sanctions barring it from exporting oil are lifted.

That is unlikely to happen before well into next year but countries such as Saudi Arabia, which will have to make a substantial cut to accommodate Iraq. are reluctant to do so from a level lower than the present one.

Not so slick as the marke

Kohl blames 'campaign of personal attacks' I Joint candidate proposed

faced with a prolonged period of

Heitmann quits race for German presidency

Mr Steffen Heitmann, Chancellor Helmut Kohl's chosen candidate for the German presidency, yes-terday withdrew from the race amid mounting criticism over his controversial views on women, nationalism and Germany's past. His resignation represents a personal blow for Mr Kohl who had stubbornly defended Mr Heit-

mann as recently as last Wednesday in a speech to the Bundestag. Yesterday, the chancellor said the justice minister from the eastern state of Saxony had been the victim of a shameful cam-paign. The intolerable campaign of personal attacks and defama-

tion against Steffen Heitmann in

the last few months shames all se who took part in it." Mr Heitmann, 49, created a furore when, in reference to the Holocaust, he said Germany need not be permanently shamed by

He also suggested that women should return to their traditional role as mothers, and that more attention should be paid to those Germans who felt they were

His resignation will come as a relief to many east Germans, who believed Mr Kohl had chosen a relatively unknown easterner to rein in the presidency. Mr Rich-ard von Weizsäcker, the incum-bent, spoke out on several controversial issues, including the social and political responsibili-

ties of unification.
Several eastern German officials also argued that the west descending and biased in the way it equated easterners with Mr Heitmann's views.

In his resignation statement, Mr Heitmann appealed - some German officials believe at the behest of Mr Kohl - "to all perties in the interests of the internal unity of our country to agree on a joint candidate" [for presi-

He proposed Mr Richard Schröder, an opposition Social Democrat and a philosophy professor and theologian at the Humboldt University in Berlin, even though the SPD have overwhelmingly endorsed the popular Mr Johan-



Steffen Heitmann explains his withdrawal from the presidential race to the press in Dresden.

nes Rau, prime minister of North Rhine Westphalia.

The question is whether the coalition government and the SPD will seek a consensus candidate. The president will be elected by a special convention representing all the parliamen-

tary parties next May. Any horsetrading would suit Mr Kohl. It may deflect criticism particularly among his own Christian Democrats (CDU), over his miscalculated support for Mr Heitmann. It would also give the chancellor time to repair the

damage before next year's federal tian Social Union (CSU), its Bavarian sister party, after the elections. "But others might and state elections.

Moreover, if Mr Schröder was chosen, Mr Kohl would still get his easterner, a goal he is determined to pursue, officials said.

Sections of the SPD would support a consensus candidate in

think this would let Konl off the book, particularly since Rau would win if there was an election tomorrow," an SPD official anticipation of a possible coali-

tion with the CDU and the Chris-Editorial Comment, Page 17

deal to develop car for **Indonesia**

By Kevin Done and Paul Bett

BRITISH AEROSPACE aims to take a leading role in the devel-opment of indigenous aircraft and car industries in Indonesia in one of the fastest-growing regions of the world.

Rover group, the UK compa-ny's motor vehicles subsidiary, has signed a memorandum of understanding with the Indonesian government to lead the development of a national car project to design, develop and manufacture a small car for pro-duction in Indonesia.

BAe also agreed yesterday to consider forming a joint venture to develop and manufacture regional turboprop aircraft with the indonesian state-owned aerospace company PT Industri Pesa

wat Terbang Nusantara (IPTN). With a population of almost 194m and an economy forecast to grow at more than 6 per cent a year in 1993 and 1994, Indonesia has long had ambitions to develop its car and aerospace sectors as part of the rapid industrialisation of south-east Asia.

BAe said yesterday that it had signed the two agreements after meetings in London with Dr Bacharrudin Habibie, the Indonesian minister for research and technology and chairman both of the Indonesian Agency for Strategic Industries and of IPTN.

According to the motor industry memorandum. Rover will provide technology transfer and technical support to a joint small car program

The car would be sold initially in the home market but subsequently would also be aimed at export markets. Production voltimes would be up to 50,000 a. year with output probably starting in 1996-97.

It is understood that the car would be based on the chassis platform of the present Metro/Ro ver 100 and would be powered by Rover's 1.1 litre K-Series engine. in the early stages of the proj ect Rover would supply mechani cal components such as engines and gearboxes from the UK.

> Continued on Page 18 EuroAir sues BAe for \$70m over aircraft, Page 9

Big Volvo shareholders back merger with Renault

The proposal to merge Volvo's car and truck operations with Renault of France was boosted yesterday when two big share-holders in the Swedish group announced their backing for the

The decision by the Fourth Fund state pension fund and the Folksam Insurance group defied a spate of criticism of the agree ment in Sweden and transformed prospects for approval of the merger at a special shareholder meeting on December 7.
"I hope that this is a turning

said Mr Per Löjdquist, head of investor relations at The Fourth Fund holds 7.5 per cent of Volvo's voting capital and is the biggest shareholder after

Renault which has 10 per cent of

the group

Support from the Fourth Fund was seen as vital because its directors include senior industrialists, trade union leaders and government officials. Its board said it would support the merger unless significant new information emerged to cause a change

Volvo is optimistic that the Fourth Fund's decision will set a trend for other large sharehold ers. It was quickly followed by approval from Folksam, which holds 3.6 per cent of Volvo votes. With support from Renault, the

Page 18 Volvo salling close to thePage 20

Fourth Fund and Folksam secured, and further backing assured from investment compa-nies within the Volvo empire, Volvo can now depend on about

31 per cent of the votes. The "no" camp, led by Akties-pararms, the small shareholders' association, and the Fifth Fund state pension fund, are at present certain of only about 10 per cent. But the vote within the Fourth Fund illustrated how closely contested the merger issue had become. The board split 8-6 in favour of the deal, with representatives of white collar trade unions and a former Volvo chief executive, Mr Gunner Johansson,

federation were in favour. Folksam, which three weeks ago had opposed the merger, said it was swayed by French government assurances secured by Volvo that Renault would be privatised, if market conditions allow, by the end of next year and that a subsequent state golden share would not be used to dilute Volvo's 35 per cent share in the merged company, Both issues have been at the heart of Swedish criticism of the

A key factor in both decisions was the acceptance that Volvo could not continue in the motor industry alone and had to deepen its existing alliance with Renault to survive the overcapacity in world car markets. Folksam said it accepted the 35 per cent share the valuation was arrived at.

of the new company apportioned to Volvo as a fair valuation, in spite of a lack of detail on how Volvo's share price fluctuated wildly yesterday. The mosttraded B share rose from SKr410 to SKr431 on early expectations that the merger would be rejected, then fell to close at SKr407 on news of the Fourth Fund and Polksam decisions.

among the dissenters. Members of the LO blue collar trade union

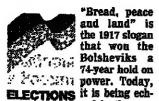
LONDON - PARIS - FRANKFURT - NEW YORK - TOKYO

"We've listened to the tape you sent us, Mr. Epstein, and in our considered opinion they'll never make the Big Time. So the answer is no, no, no."

Having the capital to back a big idea is only half the secret. Having the vision to spot one is the other half.

Voters fed Bolshevik slogan of bread and peace

By John Lloyd in Moscow



IN RUSSIA oed in the connew parliament. For bread, read standard of living - bread prices now reflect the cost of production, as do most foods

incomes, which rose by 10 per cent from January to September this year compared with last, have stagnated since. The number of people with incomes below the subsistence minimum, or upper poverty line, hovers around 45 per cent - down on last year's peak of 64 per cent, but still

And the gap is widening between the rich - being the 20 per cent of the population who receive 43 per cent of total income - and the poor - the 20 per cent who receive 7

result, the "feelgood" factor is slender, and the ordinary voter has a constant and con-

It is a tribute to the relative success of the policies of the last two years that few groups are overtly calling for a restoration of subsidies. Instead, they are focusting on the need for a rise in state pensions and wages, in student stipends and in sickness and invalidity benefit. One political group - the Dignity and Charity bloc - is devoted solely to the interests of pensioners and invalids. All Others nod towards the alleviation of their poverty. If peace is widely defined to include personal security (with the Bolsheviks it was an

end to the war) then it, too, is an important election issue. Mr Nikolai Travkin, leader of the Democratic party called it "the first issue in our campaign" in his election broadcast on Tuesday evening, while the candidates of the the far-right Liberal Democrats say that "we will restore order - by peaceful means, of course". The growing gap in

ously rich. Mercedes driving for Russia in lost prestige as class now visible in most much as in lost production. cities - is fuelling calls for a crackdown on corruption and organised crime as much as on the soaring rise in general

Real war also features - as candidates, especially the Communists, conjure up ethnic struggles in the Caucasus and Central Asia to hammer.
home their point that the collapse of the Soviet Union, provoked by Russian President
Boris Yeltsin and leading ers of his corrent gov-

much as in lost production. Fearful that patriotism may become the sole preserve of the far right and left, Mr And rei Kozyrev, the liberally-in-clined foreign minister who is standing in Murmansk, has been taking a hard line in recent weeks - threatening Armenia with intervention if it does not apologise for an attack on a Russian diplomat and Ukraine with sanctions if

it does not return its nuclear Land features in all the rhetoric and pro-

decree allowing the free purchase and sale of land was signed last month and all parties have had to take a position on it. The majority supports it with reservations. Even the Communists and the Agrarians, the twin defenders of socialist ownership, feel impelled to say that they are not against the free posses of land, just its purchase and sale. On the issue of the privatisation of enterprises, the to have won the day. No party flatly advocates a return to

grammes. 'A presidential state ownership, although the with the Liberal Democrats and the Dignity and Charity group, clearly favour the state. The pull of electoral politics is presently towards the cen-tre: the neo-fascists (Liberal Democrats) and the Commuintent; while the radical liberals (Russia's Choice) play up their patriotism. Parties and electorates are new to each other in the new Russia: but for the moment, they can both

Search for recipe to turn tanks to sausage

By Leyla Boulton



Russia's Choice, the pro-Yeltsin bloc that began by dominating the economic

agenda of the IN RUSSIA paign, is having to bend to meet the political limits to

allows 80 per cent of industry to go bankrupt won't even have time to complete financial stabilisation because it will be immediately thrown out of office," says Mr Denis Kisilyov, a Russian economist at the World Bank office in

As the parties competing for pro-reform voters have increased their promises of ways to kick-start economic growth without a financial squeeze that will throw millions out of work, Russia's Choice is having to respond with a softening of its own pro-

It is still promising radical land reform, an elimination of most subsidies and further liberalisation of foreign trade, but it is having to fudge the issue is prepared to countenance as a result of its promised finan-

cial austerity. to decline this year by 16 per cent, slowing just a little from an 18.8 per cent fall in 1992. Incorporating an increase in exports and the trading sector. only gross national product is expected to decline somewhat more slowly than last year.

When the deputy prime min-ister, Mr Yegor Gaidar, the leader of Russia's Choice, launched market reforms in January last year with a liberalisation of prices and imports. he hoped that state-owned enterprises would automatically adapt to market conditions, loss-makers would go to the wall, and both inflation and output would stabilise. This in turn would pave the way for new investment and But today, with inflation at 20 per cent a month, and production still failing, the radicals say the problem is they never achieved a tough financial policy in the first place. If allowed to pursue what Mr minister, described yesterday as "a painful but absolutely necessary transformation

But the consensus uniting the Party of Unity and Accord, set up by three rebel pro-re-

Russia's Choice is promising to

bring inflation down to 4-5 per

cent a month by the end of

The lucky thirteen...

Radical reform



sia, the Association of sed and Private Enterpreneurs, and the Party

politing, at between 20 and 30 per cent of the wole

Slower reform



Without an official name, the doo has been nickremed the acronym of the names of its leaders: Grigory Yavinsky, Yuri Boldvray, scientist, and Viadknir Lukin, former



endence from Yeltain. It is calling for higher ion for all, the protection of low incomes and

Led by Deputy Premier Sergel Strakhral.

stales for the regions in the factoral state.

Pushing a strong regionei role, it favours a more gradual approach to economic reform. The bice Shakhral and Alexander Shokhin, as well as Konstantin Zetulin, the bead of Entrepreneurs for a

The vote and the voters

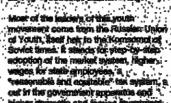
chambers. The Federation Council, or appear hough



Centrist



ed by its core group, the Entrepreneurs, the bloc favours a



Against reform



issue parties

lack See Fleet, and Yel

emplient streem of focial sills, see unable to disk a mounting, according to the leader. Those include invalids groups, Alghen veterans, and publical figures. Specification of the second of

a restrictive financial policy Volsky, the leader of Civic alone. They say the very structure of an economy geared towards defence production, with obsolete technology and very little competition, means

that the state must play a

much more active role in

restructuring the economy. "When people go to the shops, they want to buy sausage, not tanks," says Prof Nikolai Petrakov, a parliamentary candidate for the electoral bloc headed by his fellow-econ-omist, Mr Grigory Yavlinsky. "We are having to repent for this unnatural economic system built up by the Commuallow private farming. Farmers need roads and equipment."

They say that mass unemployment would simply cause a popular backlash which would bring communists or neo-fastion cannot be fought through cists into power. Mr Arkady

Union, the most conservative of the pro-reform parties, is even continuing to cite China as an example of the merits of gradual reform and increased state control over the economy. The only problem is that Russia is dominated by obsolete heavy industry rather than agriculture, and has a democracy instead of a oneparty state. But elements of the new critique have rubbed off on Russia's Choice, and are likely to be reflected in the economic policies pursued after the elections.

For instance, the prime minister, Mr Viktor Chernomyrdin, who is likely to remain in his post as the most suitable compromise figure for both conservative and radical reformers, said this week that "no government" would allow mass unemployment. Russia's Choice is state's role on the grounds that

YELTSIN INVITES ABOUT 1,000 OBSERVERS

Up to 1,000 international observers are expected to descend upon Russia to monitor the conduct of the elections, at the invitation of President Boris Yeltsin, writes Leyla Boulton.

There will be large delegations from western governments and international bodies such as the Council of Europe. There will also be a single monitor from the Caribbean island of Antigua. Bussia's Central Electoral Commission, which is organising the elections and accrediting the observers, says most will arrive a week before polling. However, some of them, such as envoys from the Düsseldorf-based European Media Institute, are already on the ground to monitor not the conduct of the voting itself but the media coverage which will help determine how people vote. Mr Andrei Davidov, head of the commission's international department, says the observers will be free to travel wherever they wish. "We want to hear what was good and what was bad so we can do even better next time," he says. "After all, these elections will not be the last."

prises to go bankrupt would in most cases mean reorganising them rather than closing them

Mr Galdar still differs from other politicians in that he remains keen to cut back the

downplaying the unemploy- Russian bureaucrats are incament issue, with Mr Gaidar pable of running a market big enterprises such as Gas-claiming that allowing enter-economy. But there is another prom. the country's monopoly point he has already embraced, and that is calls for increased protection for Russian producers and entrepreneurs against foreign competition.

Last week he agreed to restrict the activities of foreign banks. He also categorically denied any plans to break up gas-producer, despite hopes by the World Bank he would endorse such proposals. Finally, he promised to use import tariffs to defend Rus-

sian producers. Calls by Civic Union and the smaller Democratic party for

industrial groups capable of withstanding international competition have already been taken over by the government. A presidential decree allowing for their creation is to be published soon.

Efforts will also continue to restore trading ties with for-mer Soviet republics - a natural market for Russian companies after seven decades of state planning interlocked their economies. Another target for changes is

likely to be the government's mass privatisation programme. Even Mr Sergei Vasiliev, one of the main economic ideologues for Russia's Choice. admitted yesterday that the programme was imperfect. But he said its flaws, including big benefits given to employees, and the distribution of shares

the creation of large financial- had been the result of necessary compromises with conservatives.
Finally Mr Chernomyrdin,

who has refused to explicitly endorse any of the parties, echoed the promises being made by all parties, that economic reforms would be accompanied by better social protection.

"II, like Gaidar, you tell an ambulance driver that all he is ever going to earn is Rbs30,000 (£20) a month, then he will cast his vote for the Communists." claims Prof Petrakov, the economist and candidate.

The unspoken conclusion of this consensus is that Russia will have to live with high inflation for some years to come, albeit avoiding Ukrainian-style hyperinflation, while looking for ways of promoting investment in enterprises which can produce sellable

Media builds an even balance from 13 blocs

By John Lloyd and Leyla



election camwill not be fair. However,

unlike the elections of the Soviet days, where it, they will be unfair in a recognisably democratic way, with money, personalities, ing taking place against a hackdrop of state-defined rules.

The technical requirements

for the registration of parties

and candidates for the two

houses of the new parliament - the federal assembly - have been completed, and have thrown up 13 blocs and more The Russian than 600 candidates covering a range of views from neo-liberal to Communist and neo-imperialist right. In one republic -Chechnya - elections will probably not take place at all and in another - Tatarstan - insufficient candidates have

registered for the upper house. The key questions now are tairness had nothing to do with the overall political context within which the elections take place, and, crucially, the with money, personalities, coverage given to the parties image, showbiz, and arm-twist- and candidates by the media. President Boris Yeltsin is presently the only source of legitimate power in Russia:

Russia has several Ross Perots - successful businessmen who are using their financial clout to win a political voice, writes Chrystia Freeland in Moscow. Mr Rafis Kadyrov, who sports a suit and gold watch that would be at home on Wall Street, is running for a seat in the Russian parliament and the presidency of Bashkortostan, an autonomous republic with 4m inhabitants in the heart of the Urals.

The brashest of the lot may be Mr Kirsan Iliumzhinov, a

businessman who was elected president of Kalmykia, an autonomous republic to the south of Bashkotostan, after promising to pay each citizen \$100 out of his own pocket.

The main reformist parties are all linked to, or enjoy the support of, groups of enterprises and banks. This is quite overt: businessmen and industrialists appear on party slates and/or sit beside leading candi-

though the government he has chosen. He has not, and may not, declare his support for any pay for media coverage: under the election rules, donations from each enterprise are limited to a maximum of 20,000times the minimum wage to parties and 200-times the minimum wage to an individual

tiny of these donations is lax, removed: censorship appeared and will, anyway, not take place until after the event. Further, the linkage of money and campaigning looks

improper. Mr Yegor Gaidar, first deputy prime minister but also leader of the main radical bloc, Choice of Russia, held a meeting last week with the heads of Russia's commercial banks - during which he promised them protection from foreign competition, a promise which outckly took the form of a presidential decree. They met in his party headquarters, not his office. Did they promise support for the party? Had they already given it? The site of the meeting pointed to these

Most of the curbs on the cencandidate. However, the scru- tral press have now been

only briefly after the suppression of the parliamentary revolt, and the daily newspaper which is still banned, Sovyetskaya Rossiya, won a court judgement against the ban ear-lier this week. While the most prestigious daily. Izvestiya, is pro-presidential and supports Mr Gaidar's movement, other papers - such as Pravda - are strongly critical. The liberal dally Nezavisimaya Gozeta is waspish about Mr Yeltsin and

Television is - as everywhere - the dominant medium. The rules of the game, drawn up with some advice from the British Broadcasting Corpora- The marvellous amateurism tion, specified that parties is gold dust to anyone attumed could buy TV time up to November 22, when the cam- party politicals.

about the government.

paign proper began: thereafter, each of the 13 competing blocs was allocated equal time on the two main national channels, dolled out in 20-minute segments, with the times of appearance determined by drawing lots.

The party political broad-casts are wholly fascinating. At one end, they are fairly slick: Choice of Russia, with a professional, well-staffed central election staff, produced earlier this week a 20-minute show which mixed clips from a concert with a smart Mr Gaidar. Other parties have simply pushed their candidates in front of cameras.

to the banalities of western-

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Bundesbank warning on 'quick fix'

By David Waller in Frankfurt

exports and thereby curb domestic unemployment would be the "wrong medicine"; the Bundesbank's chief economist warned last night.

Speaking in Frankfurt, Mr Otmar issing, member of the the decline in exports by com-central bank's policy making petitive devaluation, would council appeared to be direct, prove illusory, Mr issing said, ing his remarks at calls for as it would only serve to European countries to slash worsen trading partners' recesinterest rates as a way of combating unemployment.

Mr Issing acknowledged that

there had been a sharp fail in inflationary pressures and trig-German exports since German ger a wage-price spiral which reunification, and that this had would lead to more, not less reunification, and that this had contributed to German unemployment because lay-offs were concentrated in export-oriented industries. Germany's trade surplus has fallen from DM135bn (£53.50bn) in 1989 to DM34bn last year to DM28bn in the first eight months of the current year.

However, he rejected arguments that the fall in exports had been triggered by the strength of the D-Mark, point-ing out that measured against the currencies of Germany's 18 most important trading part-

ners the D-Mark had risen by a modest 3 per cent in the past Any attempt to revive German two years, and had fallen by nearly 1 per cent since the end of last year. He blamed the export decline

on recession in Germany's most important trading partners. Any attempt to combat the decline in exports by comworsen trading partners' recessions and diminish demand for German goods still further. A devaluation would stoke up

inflation:
... Mr Issing's comments follow Bundesbank president Mr Hans Tietmeyer's remarks on Wednesday that governments should not try to buy economic recovery by means of rate cuts. Mr Johann Gaddum, Bundes-bank vice-president, however, awakened speculation of further rate cuts in Germany in Paris yesterday. He was quoted as saying Germany was "over the hump" on inflation and there was scope for further



Millions of pounds in value added tax rebates are unclaimed across the EU, according to a survey by accountants Deloitte Touche

Nearly 80 per cent of companies do not reclaim all the VAT they are entitled to receive from countries in which they are not registered, and more than 20 per cent do not claim any of their rebates.

The survey, which questioned more than 600 companies, notes that almost a quarter of businesses pay VAT in countries where they are not registered, on transactions such as one-off purchases, hotel bills and travel. About 8 per cent are paying more VAT than they were before 1993.

Most say the primary reason is that recoveries would cost too much. A number of companies highlighted administrative Wholesale and retail fraders difficulties in receiving rebates in Italy, Germany and France. The system clearly needs to be simplified," Deloitte said.

they had found their transport

costs becoming cheaper as a

result of the new system, although 39 per cent said goods reached their destinations

Across the EU, British companies are the most likely to fail to make refunds The survey showed that just 23 per cent of companies said



the government spend more on education

Spanish unions take to streets

Spain's two largest unions joined forces yesterday evening to stage protest marches in 50 cities against the government's economic policy. However, they remain divided over organising a 24-hour general strike that has been tentatively scheduled for the third week of next month.

The demonstrations were the first test of strength by the unions against government plans to restore competitiveness by imposing wage restraints, reducing benefits and overhauling labour market legislation to allow part-time employment,

apprenticeships and easier dismissal procedures.

The Communist-led Commissiones Obreras (CCOO) union has called for national mobilisation to paralyse the country on December 17, but the rival Union General de Trabajadores (UGT), which co-sponsored yesterday's protests, is more hesitant, believing a full strike could backfire and prompt the government to take even tougher economic measures.

The two unions staged a successful 24-hour strike in December 1988 that forced the government to withdraw a planned youth employment scheme and to increase pensions and unemployment pay. A half-day general strike which they staged last May in protest at social spending cuts was poorly attended, however.

The government is due to meet the unions today in a last

effort to salvage a social pact on incomes policy and labour reforms which has been under discussion since September. But it has already warned that it will impose its policies next week if there is no agreement. The employers' confederation, which held separate talks with the government yesterday about the social pact, termed the proposed labour markets reforms as "too

Germans expect 'exports boost

By Arlane Genillard in Bonn

An increasing number of German businessmen believe the economy has stabilised at its lowest point and expect. some export-led improvement in the coming months, according to Ifo, the Munich-based economic institute.

managers, says the business community is less pessimistic than in previous months:

4.45 (32)

25

The survey lends weight to a statement by the German industry federation, the BDL. that the economy is stabilising ... et a slever pace than earlier. The BDI points out production plans and orders stopped fall-ing at the beginning of summer and capacity utilisation was dropping "very mildly" compared with the beginning

Ifo notes that companies do not expect a pick-up in domes-tic demand but that export prospects are "substantially improving". Companies in general say orders in October held steady against September.

continues to complain that stocks are too high. But they add that prices could fall fur-ther as a result.

The brighter outlook varies from sector to sector. Manufacturers of semi-finished goods say the situation remains bed but an export-led pick-up is foreseeable over the next six An Ifo study, which polls 500;- months - a view shared by the chemical industry. But manufacturers of consumer goods, especially cars and electronics, warn that orders will still not match the September level, although they are decreasing

> hit by depressed domestic demand are pessimistic. More than 40 per cent of wholessiers say they expect orders to fall, the worst result

In eastern Germany, business confidence is up, mostly because of a rise in local demand. Capacity utilisation is stabilising at 72 per cent and production plans and orders

Companies | Swiss to vote on introduction of VAT

By lan Rodger in Zurich

Swiss voters pride themselves on using their direct democ-racy responsibly; if taxes need to be raised, this action will be approved in a referendum. That sense of responsibility will be tested on Sunday when the Swiss will be asked, for the fourth time, to vote on the introduction of a value added

At a time when every other European government has long since introduced VAT, it may be asked why the Swiss have rejected the idea. The Swiss

answer would be that no negative consequences have resulted from previous rejections in 1977, 1979 and 1991. This time, however, there is a sense of urgency. Federal government finances are in disarray as soaring social security spending in the recession led to record deficits.

Another concern is the competitiveness of Swiss industry. Last December, Swiss voters rejected joining the European Economic Area (EEA), an expanded free trade area between the European Union and the countries of the European Free Trade Association. Swiss manufacturing companies have become increasingly nervous that exports to Europe will face increased costs when the EEA comes into force next year. Thus, their campaign to replace the existing 6.2 per cent turnover tax, which applies only to goods and capital spending, with VAT has been more passionate than on

previous outings.
It is estimated that Swiss industry would save SFr2.6bn a year if a 6.2 per cent VAT, applicable to services as well as goods and refunded from

exports, were introduced. As is often the case in Swiss referendums, the halloting process will require considerable concentration from voters. They can vote for 6.2 per cent VAT or 6.5 per cent, which the government would prefer because it would raise more revenue. There is also an opportunity to vote in favour of adding another 1 percentage

ing public pension costs.

The VAT proposal has the full support of all the main political parties and business groups, with the exception of

point to help underwrite soar-

the restaurant and hairdress ing trades which dread being brought into the tax net.

Polls indicate that it will probably be approved by a narrow majority, but that the people will only approve a 6.2 per cent rate. Swiss voters would prefer to keep the pressure on the politicians to cut spending rather than let them have

In addition to VAT voters will also decide whether or not to abolish tobacco and liquor advertising, an issue brought to a referendum by concerned



Robert Graham on Italian media magnate's backing for neo-fascist candidate in Rome mayoral election

done no more than follow a maxim of Tolstoy - a coura-geous man does what he feels is necessary.

But what Mr Berlusconi considers "necessary" has created a near mutiny among his employees and provoked a storm of controversy in Italy's political and intellectual estab-

Mr Berlusconi, who controls three quarters of Italian com-mercial television and a string of publishing interests, has decided to enter the political

fray in Italy.

Throughout this year he has been hinting he might form a political party and appeared to be flirting with the populist Northern League of Mr Umberto Bossi. But this week he chose the occasion of the opening of a shopping centre in Bologna to urge the formation of a new centrist

Apparently off script, he went one further. If he were in Rome he would back Mr Gianfranco Fini, the leader of the neo-fascist MSI, in the run-off on December 5 for the mayorship against Mr Francesco Rutelli, the candidate of the

This was immediately interpreted not only as an endorsement for the MSI but as placing this party, always seen on the far right, in the centre of Italian politics.

This produced headlines such as "Berlusconi in black" (a reference to Mussolini's infamous black shirts) and cartoons such as the one with a bubble coming from Mr Berlusconi's mouth saying Fini-vest' (a play on Fininvest, Mr Ber-

was a flood of criticism and protest. The next issue of Panorama, the main Berlusconi weekly, will not appear because of a strike; a stoppage was observed on Wednesday at Mondadori, his main publishing group, and television jour-nalists loudly proclaimed their independence. Some groups have threatened a boycott of

his Milan football team.

The objections to Mr Berlusconi's stance centre on two separate issues. The first is whether someone who wields whether someone who wiends so much power, especially through television, should take sides so openly and harbour political ambitions. These objections are on weak grounds since media owners in Italy, discreetly or clumsily, do support causes - indeed that is partly why they are propri-

Mr Berlusconi himself has always been a political animal, and built his empire on the back of a close friendship with Mr Bettino Craxi, the former Socialist leader. Mr Berlusconi himself has not been impli-cated in the corruption scandals but Milan magistrates are investigating whether his media interests allowed dis-counted advertising slots on television to the political parties during elections. Another investigation is examining allegations of kick-backs to obtain

television licences. The second issue is whether the MSI is a dangerous rightist phenomenon, foreshadowing a return to the Mussolini era-The spectre of a party, inspired by Mussolini, gaining substan-tial electoral space in Italy has

r Silvio Berlusconi, lusconi's principal media those with long memories. Italy's media maggroup). They feel Mr Berlusconi is nate, claims be has Accompanying such sarcasm highly irresponsible in lending highly irresponsible in lending his considerable weight to making the MSI respectable.

However, most of the criti-cism is based on historical memory rather than the MSI today, led by Mr Fini, who was born in 1952 (seven years after Il Duce was executed). The criticism also contains an element of hypocrisy since he would have earned little odium if he had associated himself with the leftists' candidate in Rome, Mr Rutelli.

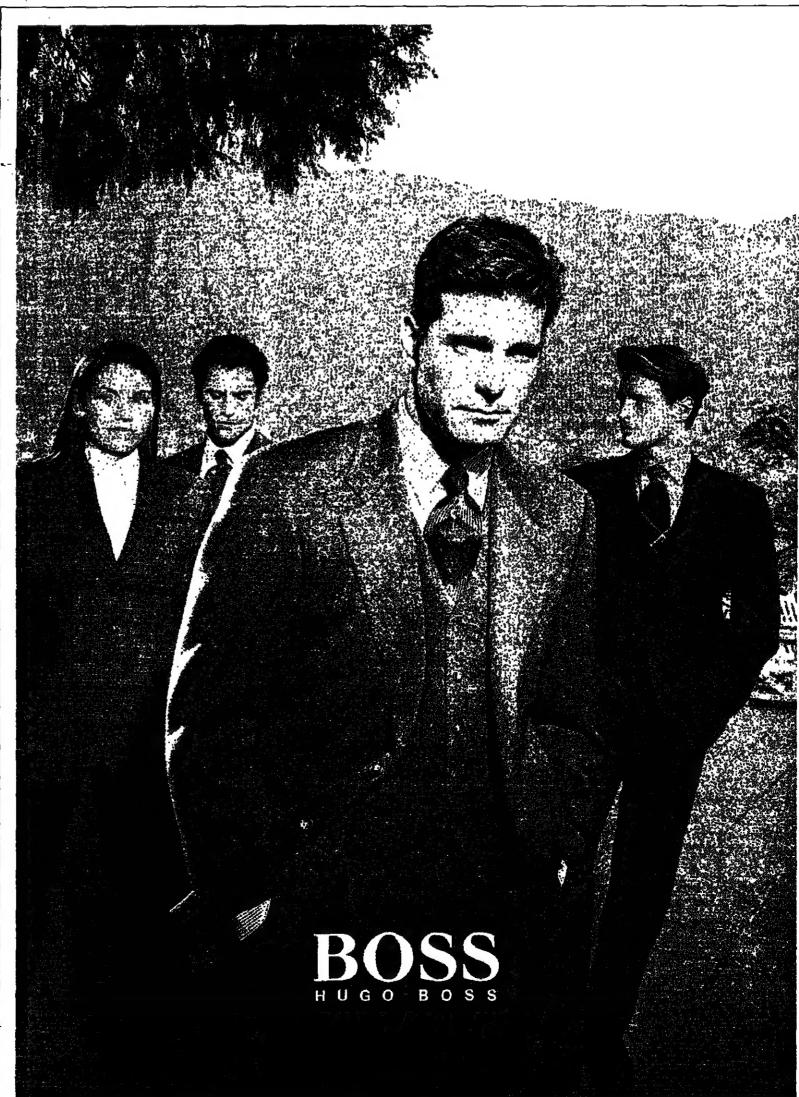
Mr Beriusconi is unrepen-tent. He wrote in yesterday's newspapers: "I'm completely foreign to fascist culture and traditions; but I refuse to accept the use - or worse the blackmail - of anti-fascism as a demagogic device to steer the country away from a liberal democratic government which we and Europe need."

T e added that if and

when it was necessary he would establish a "clear distinction between politics and editorial control".

By taking such a high profile, Mr Berinsconi may well encourage more of the media to focus on the financial problems of his empire. La Repubblica newspaper and L'Espresso magazine, controlled by Mr Carlo De Benedetti, have been running for some months a campaign demonstrating that the debts of Fininvest are well above the L3,333bn (£1.3bn) published in the 1992 accounts.

They also claim that close scrutiny of the accounts reveals a L174bn loss instead of the declared L21bn profit. This



Belgium to push EU growth plan

By Lionel Barber in Brussels

THE Belgian presidency of the European Union intends to to strengthen the European Commission's programme for economic growth and lob creation at a meeting of EU finance ministers early next month.

The move is in response to UK and German success in neutering Commission efforts to set EU-wide targets for halting rising unemployment and promoting growth.
Mr Philippe Maystadt, Bel-

gian finance minister, is understood to have been surprised by the Commission's abrupt retreat from earlier calls for specific targets to spur a recovery and disappointed by the document's bloodless tone compared with previous drafts.

Brussels bad earlier called for a 2-3 per cent reduction in short-term interest rates contingent upon wage restraint and cuts in budget deficits, a broadening of the tax base to pay for cuts in employment taxes, and a specific recommendation to create 15m jobs by the end of the century. Britain, Germany, and the Netherlands all voiced strong objections to these targets, pointing out that the EU had no legal instruments to fulfil

rested with member states. However, France, Italy and Spain were much less hostile, according to an official.

Mr Maystadt is said to be determined to put forward a strongly-worded document on the grounds that it will have legal status according to the recently ratified Maastricht treaty.

Under the Maastricht treaty the Commission is required to put forward a recomm on macroeconomic targets which can be adopted by qualified majority by the European Council on December 10-11. Belgian officials point out, with a touch of bravado, that this could mean that the Ger-mans and British alone could

A Commission official defended the watering down of the original macro-economic guidelines on the grounds that it was important to "carry' along member states.

In Brussels, officials are con-cerned that Mr Jacques Delors' white paper on employment, competitiveness and growth could lose impact because of the Commission's retreat particularly since it has no legal status and is unlikely to con-

Polish commercial TV plans hit snag

Plans for Poland's first commercial national TV channel have run into opposition from the military which is unwilling to release the necessary frequencies.

This emerged shortly before the closing date for applications to run the channel to compete with the two state TV ones, which will still carry

advertising. Foreign media groups including Bertelsmann, Compagnie Luxembourgeoise de Teledisfusion and Time Warner have declared an interest in running the channel with local partners.

Admi Piotr Kolodziejczyk, defence minister, said the army would be shie to free the frequencies in three years. Frequencies available to private broadcasters provide access to 40 per cent of Poland.

Bulgaria reaches agreement on debt reduction

Bulgaria has reached a comprehensive debt and debt-service agreement which could amount to a 50 per cent cut in the estimated \$9.3hn (£6.24hn) it owes to 2 group of over 300 commercial banks, Mr Stoyan Alexandrov, finance minister, said in Sofia yesterday.

The agreement in principle, reached after months of diffi-

don Club creditors headed by Deutsche Bank, includes an initial downpayment of not more than \$865m and average annual payments of less than \$300m in the first seven years of the agreement, Mr Chavdar

gotiating team, told Reuter. The agreement contemplates a menu of options consisting of a debt buyback at a

garia, a collaboralised discount bond option, a front-loaded interest reduction bond (FIRB) option and a comprehensive treatment of interest errears," Deutsche Bank added

The discounted bond option offers a 30-year discount bond exchanged for existing debt at a 50 per cent discount at LIBOR plus 13/16 per cent and with full principle and 12 The FIRE option, with an eight-year grace period, offers an 18-year bond with a stepped-up fixed interest rate starting at 2 per cent for the first eight years and a floating coupon of Libor plus 13/16 per cent for the remainder. West Merchant bank said.

The agreement, still to be approved by the Bulgarian norligment and the boards of

lar to the kind of deal being sought by Poland for its over \$13bn commercial bank debt But leading creditor banks last night insisted Poland no longer qualified for the kind of relief achieved by Bulgaria, which has a much weaker economy and a GDP which is

continuing to fall. Poland's London Chub creditors offered a 33 per cent debt

year. This was rejected by the Polish side which wants a 50 per cent reduction similar to that already achieved on its \$38bu Paris club official debt. shortly to discuss making a revised offer to the Polish team, an improvement on the original 33 per cent relief offer, but still well below the 50 per cent the Poles seek.

Owen foresees Moslem state

Mediator warns of new EU sanctions over Bosnia

By Robert Mauthner, Diplomatic Editor

Lord Owen, one of the two international mediators on the former Yugoslavia, forecast yesterday that the creation of a new independent Moslem state in Bosnia was inevitable and that the Serbian and Croat parts of Bosnia would eventually join their respective mother countries.

Such a solution, he admitted ruefully in the annual Churchill lecture in London's Guildhall, was certainly one he did not favour originally in the abortive Vance-Owen plan, which called for a unitary Bosnian state divided into largely autonomous provinces

Lord Owen accused the US of having killed off that plan in May this year and thus destroying any hope of keeping Bosnia-Hercegovina together. However, he recognised that history might show that the emergence of an independent Moslem Bosnian republic was "inherently more stable," that the demilitarisation of Bosnia proposed in the Vance-Owen plan was unrealistic and that the Moslems' fight for their very survival required to find expression in the creation of

Lord Owen's remarks were a clear indication of his belief that the union of the three republics which he and his fellow mediator Mr Thorvald Stoltenberg had proposed as a replacement for the Vance-Owen plan would be no more than a temporary solution. That plan was rejected by the Bosnian Moslem "parlia-

their own country.



An aid convoy makes its way through the snow at Serb-held Banja Luka yesterday

the Moslams claimed it did not give them enough territory. European Union foreign min-isters suggested earlier this week that the international community might be prepared progressively to suspend sanc-tions against Serbia if a politi-cal settlement could be reached giving the Bosnian Moslems an additional 3 to 4

per cent of territory. Such a possible solution will be discussed at a conference in Geneva starting next Monday, grouping EU foreign ministers, the leaders of the three warring parties in Bosnia and senior representatives from the US and Russia. Lord Owen warned the Bos-

nian Serb and Croat parties that, if they falled to compro-mise, the European Union

would have to strengthen existing sanctions or start advocating new sanctions. At the same time he warned the Bosnian Moslems that, if they were not prepared to accept compromises, outside govern-ments could reconsider their contribution to United Nations peace-keeping forces in Bosnia, which would then have to be withdrawn,

"The parties, tragically, then would be left to fight it out with no holds barred and the misery and mayhem of what was once Yugoslavia would continue. Whatever political solution

was chosen by the warring par-ties, certain key Bosnian Mos-

Bosnian republic had to have open access to a port on a navigable part of the Sava river in the north and to a sea port of its own on the navigable part of the river Neretva to the south. In addition, the Moslems would have to be given, "as an important symbol", a tract of land on the Adriatic sea, and, as far as possible, nat ural and defendable bound-

Owen strongly Lord supported the trial of Yugoslav war criminals by the international tribunal set up by the UN. "I believe it is ntial for the moral order of the 21st century that we re-emphasise over Yugoslavia the rejection in the Nüremberg trials of the belief that, in war, anything goes."

Row looms over shipping cartels

A political row is building up between the European Commission, Parliament and European Union ministers over conroversial Commission inquiries into shipping cartels. The Commission and Parliament, backed by exporters, are wortled that transport minis ters, who meet in Brussels on Monday, may try to meddle with the Commission's exchsive authority to rule on com-

-At issue is a draft resolution on the application of competiport, which could be adopted by ministers on Monday. EU exporters - including compamias such as ICI and Mars say the resolution is largely the work of shipowners, trying to protect themselves from the latest in a series of Commis sion investigations into ship-

ping cartels.
The European Parliament's legal affairs committee has written to the council of ministers warning that adoption of such a resolution could upset the balance between the EU's institutions.

The pressure already appea to be having an effect. National officials said yesterday that member states enthusiasm for a prescriptive resolution was waning, although they may still call for a Commission report on the subject. Much will depend on how ministers react to Monday's statement by Mr Karel Van Miert, the comthe maritime industry.

The shipowners said this

the Commission was greater legal certainty about the treatment of shipping conferences in particular those that now offer door-to-door container services, including road haul-

aga. In the last two years, the Commission has aroused the wrath of shipowners by imposing fines on two cartels operating between Europe and Africa, Brussels is now poised to publish a statement of objections to the Trans-Atlantic Agreement, signed last year by 14 shipping companies includ-ing P&O Containers of the UK, Hapag-Lloyd of Germany and Maersk of Denmark, and should also take a decision on the Far East Freight Confer-

The shipping lines say the TAA is essential to combat overcapacity in the transatlantic container market, but exporters say that it has led to "exorbitant" rate increases in 1993. The original draft resolution tabled by the Belgian presidency of the EU was sharply criticised by MEPs and the mission for going too far.

Correction

Istanbul stocks

Equity capitalisation on the Istanbul Stock Exchange is currently estimated at just under \$30bn. The figure given in an article in the Financial Times survey on Turkish finance and industry, published on November 25, was

NEWS: THE AMERICAS

Law would extend Nafta-style protection worldwide

Mexican move on investor rights foreign interests in Cuba

By Damian Fraser in Mexico City

The Mexican government has sent to congress a new foreign investment law that would give investors worldwide almost all the rights enjoyed by the US and Canada under the North American Free

Trade Agreement The new legislation, which is certain to be approved, would replace the 1973 law that substantially restricted foreign investment. While the 1973 law has been partly modified by subsequent regulations, for-

Ecuador's congress has

approved a law setting out

terms for billions of dollars

worth of contracts in oil and

By Ray Colitt in Quito

eigners have complained that to open up only partly some the rules do not offer legal sectors such as airlines to fortransparency, and still protect important sectors.

investment in all areas of the economy and under the same terms granted to the US and Canada under Nasta, except the financial sector. It eliminates all performance requirements for foreign investment, such as obligations to transfer technology or meet local con-tent rules, that govern industries such as car parts and

The law permits foreign

Under Nafta, Mexico agreed

construction. It also breaks the

monopoly of state-owned

Petroecuador in some sectors. Oil companies will receive a

percentage of their crude pro-duction to sell in the domestic

eign investment. Others, such as the car parts industry, secondary petrochemicals and mining, were fully opened. Nafta also put into law existing regulations that permitted 100 per cent investment in most businesses. Such rules will now apply to all countries. However, investors outside

Ecuadorean law opens door to oil development capital

bureaucratic ties between the

oil companies and the govern-

panels in disputes over invest-

Noyola, the under-secretary for foreign investment in the Trade Ministry, said Mexico was ready to open talks with countries on investor protection on a bilateral basis. The proposed law, like Nafta,

tract in five years.

Contracts for the exploration

neighbours for scarce invest-ment capital. The country has south-west will be auctioned. Winning bidders will have up across the Andes to the Pacific.

does not open up strategic sectors such as oil and satellites to private investment: other sectors, such as television and the US and Canada would not have recourse to arbitration exclusively to Mexicans. It ensures majority Mexican conment, as envisaged under Nafta, nor would they be guar-anteed the same treatment as and cable television.

Nafta in permitting foreigners to invest within 100km of the border and 50km of the coasts through Mexican incorporated companies in industry, hotels or commerce. At present such investment can only be made through trusts. This has made it difficult for foreigners to obtain bank loans, especially when trying to finance the

building of hotels.
The legislation would limit foreign investment in banks and brokerages to 30 per cent, and 49 per cent in insurance

The law also permits the pri-

vate sector to increase capacity

of the Trans-Ecuadorean pipe-

field and find a market.

By Canute James in Kingston Prospective foreign investors in Cuba have been warned by the US and by at least one company whose assets were seized by the Cuban govern-ment that they could face legal

> nationalised property. This follows recent Cuban statements that its efforts to attract foreign investors to several sectors of the state-controlled economy are succeed-

problems if they invest in

Jamaica's economic development agency has told the island's hoteliers that the US government has suggested that they proceed with caution in investing in Cuban resort properties, as many of these could be the subject of legal proceedings in the future.

Bacardi, the world's largest rum producer, said on Wednes-day that potential investors in Cuba faced legal risks if they became involved in confiscated property, including three breweries and a distillery which a list of 131 properties for were seized from it by the gov-

US gives warning over

The US State Department said it sent warnings periodically through government agencies in countries from which investments in Cuba are being made. Jamaican hoteliers have invested in Cuban

These notices have been sent not only to Caribbean countries, but also mainly to Europe, Canada and Latin America," said an official. "We cannot tell people not to invest in Cuba, but we are warning them that when the political and economic situation in Cuba changes, the real owners of the property will either want to recover their assets or will want what could be a signifi-

want both." Mr Manuel Cutilias, president of Bacardi, has written to big distiliers and brewers in several countries, saying the

cant compensation. Some will

was seeking foreign partners The company's assets in Cuba were worth \$70m (£47m) when they were confiscated, he said. "It is Bacardi's position, sup-

ported by expert legal advice, that its confiscated assets continue to be its lawful property. and that no one who accepts a purported conveyance of any such property from the Castro regime will acquire good title under either Cuban or interna-tional law," Mr Cutillas said. Earlier this month President Fidal Castro told foreign businessmen that investment opportunities in Cubs were worth many billions of dollars. and that the tourism sector alone had the potential for

\$20bn in new foreign business. He said opportunities for for eign investment in Cuba were going so fast there would be "not one square metre of beach" left for US companies because of Washington's eco-

Brazil corruption inquiry is 'opportunity for democracy'

Angus Foster reports on hopes of a flushing out of the political system

n an annex to the Brazilian Congress in Brasilia, government and central bank officials have been poring over the financial records of some of the country's leading politicians. The findings, released amid the din of a congressional hearing, have detailed a wide network of political corruption, led to the downfall of several senior figures and threaten many others. There is no consensus about whether these politicians are likely to be punished. But there is that the process is positive for Brazil's still

emerging democracy. After the peaceful removal of expresident Fernando Collor last year amid separate corruption allegations, the latest scandal is seen as marking another chance to modernise the country's political system, which emerged in the mid-1980s

from two decades of military rule. "With democracy you learn by mistakes. After so many years of the military, it is taking time for society to win back control of their government," says Mr Fernando de Hollanda Barbosa, a Rio de Janeiro-

The scandal surfaced last mouth when a former government official accused nearly 30 politicians and former and acting ministers of involvement in corruption schemes. He said those involved had received fees in return for approving construction projects detailed in the

government's budget.

A special parliamentary inquiry
was set up and has unearthed payments, often of several million dollars, in the bank accounts of some of the accused.

Although no politician has admitted wrong-doing, the affair has already forced the resignation of Mr Henrique Hargreaves, the equivalent of a chief of staff, and two of the most senior figures in the country's largest political party, the PMDB. It is also likely to lead to further inquiries into related allegations, including claims that large construction companies paid fees to politicians in return for favours. Among ordinary Brazilians, already cynical about their institutions after the resignation of former president Collor and his replace-

ment by President Itamar Franco.

the affair has led to a wave of pro-test. Helped by intensive media coverage, public anger has been visible in marches organised in many Bra-zilian cities to demand action. Mr Lucia Bemquerer, a businessman in the south-eastern state of

try analysts say cutting not secured an exploration con-

compete with oil-producing neighbours for scarce investment capital. The secondary will be are the exploration and production of natural gas neighbours for scarce investment capital.

Minas Gerais, helped organise a march to the country's capital Bra-silia and the lighting of a special torch. "The torch will burn until these people are punished," he says.

may need to burn long. Constitutionally, congressmen have immunity from prosecution for any crime unless their respective house votes to withdraw it. This unusually wide immunity was introduced after the military period to bolster the powers of Congress against the executive. Immunities have rarely been lifted.

Meanwhile, the inquiry's only form of punishment is the cussação of anyone suspected of guilt, equivalent to the withdrawal of political rights and immunities. Even without congressional protection, proving money came from corrupt sources would be difficult.

claim that money was left over from campaign contributions (though other politicians point out that campaigns usually run up big debts

rather than profits).

These difficulties have prompted suggestions that, other than the cosscolo of about 10 main suspects, the affair will blow over once the inquiry finishes just before Christmas. For real change, some analysts argue, Brazil needs an independent judiciary willing to prosecute. At present, Brazil's judiciary is poorly funded and is perceived as neither independent nor willing.

However, this view overlooks two important changes which are already taking place. Public anger has accelerated moves in Congress to confront long-standing problems for the first time. For example, the roles on immunity are likely to be tightened and the lower house is already considering lifting immuni-ties more regularly. New regulations on regular disclosure of assets for all members of Congress are also being proposed. Mr Jarbas Passarinho, a respected



Collor: corruption allegations .

senator and the chairman of the inquiry, believes Congress now has the chance to show it can tackle its own problems: "We have to con- attack." vince the public that Congress is not the centre of all Brazil's

The scandal has also forced political parties to rethink plans on can-



dential elections next year. Any politician with links to the accused is now vulnerable to press or political

This has greatly worried the PMDB, which has been most closely linked with the allegations. Some party leaders say it will not survive the elections intact and that some

At least three potential presidential candidates have been touched by the scandal or have become targets of other allegations, such as the taking of illegal commissions,

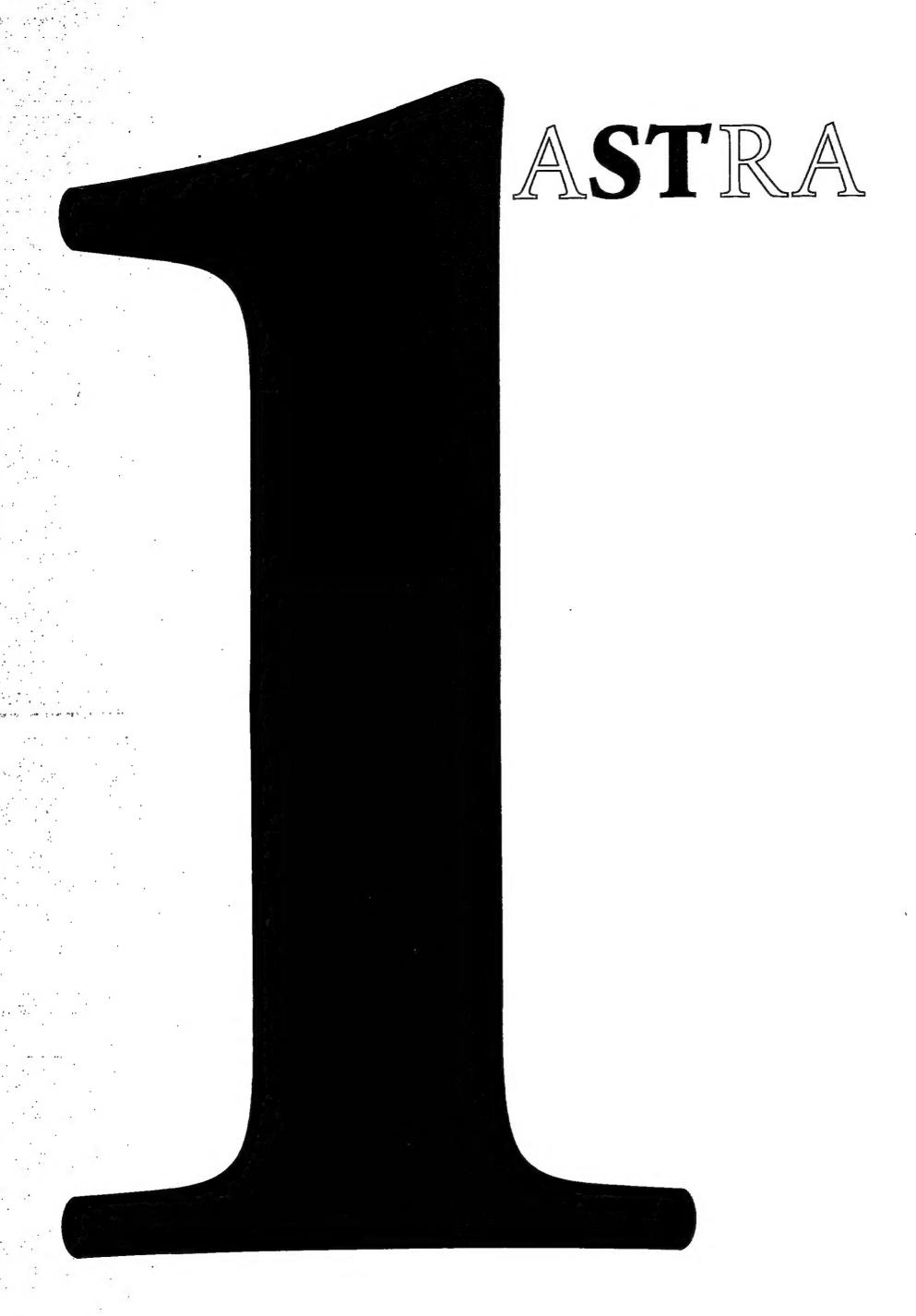
since the inquiry began.
Although the media, middle classes and the left will increasingly demand probity in politics, the process may take longer to take root elsewhere. For example, a frequently heard sobriquet in São Paulo about one of its leading politicians translates as "he robs but at least he gets things done",

Mr Nelson Jobim, a leading PMDB congressman, argues that candidates seeking re-election will have to prove their honesty, while new candidates will have to promise it convincingly. "Discussion of morality will be acute in the 1994 elections," he says.

However, a proportional representation system which strengthens regional rather than national affilia tions and a weak party system which exaggerates the power of individuals will remain problems. The majority of actors will

change, but the personality-types will remain more or less the same," didates for congressional and presi- groups may break away so as not to. Mr Johim says.





Opel wins the We'd like to

over

FIA Rallye World Cup for Manufacturers of Touring Cars. congratulate the successful Opel Team Belgium with the

Astra GSi pilots, Bruno Thiry and Stéphane Prevot, on their excellent performance. OPEL 😌

Protest at killing of Islamic fundamentalist military commander

Israeli troops wound 34 in Gaza violence bid to settle

Violence flared in the occupied Gaza Strip yesterday as Israeli troops shot and wounded at least 34 Palestinians protesting at the Israeli killing of an Islamic fundamentalist milltary commander.

Militants of Hamas, the Islamic movement opposed to peace with Israel, blocked roads with burning tyres, clashed with Israeli troops and ordered a three-day general sir Arafat's Fatah faction of

Wednesday night of Mr imad Agel, northern Gaza commander of Hamas' military wing. In a military communique, Hamas, recalling the words of Mr Agel, said: "Killing Israeli soldiers is a worship by which we get close to God".

The eruption, the worst since Israel and the Palestine Liberation Organisation was signed in September, came as Mr Yas-

dent elections at Beir Zelt University in the occupied West Bank by a coalition of Hamas and left-wing PLO factions opposed to the peace accord. The Beir Zeit poll was the first electoral test of young Palestinians since the peace agree-

process and continued israeli

However, Mr Shimon Peres,

closure of the territories.

yesterday he and Mr Arafat were optimistic about the peace process and confident agreement would be reached on implementing the peace accord and beginning Israeli military withdrawal from Gaza and the West Bank area of Jerment was signed. It marked icho by December 13. Israel and the PLO said talks Palestinian discontent with the lack of results from the peace

on implementing the agreement, to be enshrined in the December 13 protocol, had, over the past two days,

Israeli foreign minister, said reached broad agreement on the transfer of authority from the Israeli-run civil administration in Gaza and Jericho to Palestinian hands, Mr Hassan Asfour, a member of the PLO delegation meeting the Israeli side in the Egyptian resort town of El-Arish, said most including fisheries, religious affairs and identity cards.

In Cairo, separate Palestinian and Israeli negotiating teams were trying to reach

the size of the Jericho area, the release of 10,000 Israeli-held Palestinian prisoners and con-trol over border crossings between Gaza and Egypt and between Jericho and Jordan. In talks in Paris, an Israeli

official said Palestinian agricultural produce, previously barred from entering Israel, would be allowed in if both sides agreed on a customs union and free movement of

Hosokawa in coalition rifts

Japan's prime minister Morihiro Hosokawa yesterday met leaders of the seven par-ties in his fragile coalition, in an attempt to make progress on the most divisive tasks facing the government.

The meeting follows a warning from senior members of the Social Democratic party, the largest coalition member, that they will walk out if the government drops the ban on rice

.The SDP has threatened to defect on other issues before, risking the collapse of the coalition, but has each time compromised.

This time, it will be harder for the rest of the coalition to satisfy the SDP on rice, because it is holding to an agreement between coalition members in July, when the government was formed, to oppose rice market liberalisa-

Mr Hosokawa told the SDP at a meeting earlier this week that he cannot negotiate on rice "if my hands are tied," SDP officials said.

Pressure on the coalition to settle its internal difference on rice is increasing with the approach of the December 15 deadline for concluding the Gatt world trade liberalisation

An agriculture ministry draft, leaked to the Japanese press, is said to propose a period of limited market opening until 1991, to be followed by negotiations to allow imports subject to tariffs. The SDP remains out of line

with the rest of the coalition on most of the main issues. On rice and on political reform, it is in curious company with the right wing of the opposition The LDP was yesterday

delaying the start of a debate on four political reform bills in grimage to Mecca and returned the upper house, on which many Socialists also have res-



likelihood that Mr Hosokawa will have to prolong the current parliamentary session beyond its normal closure on December 15, to meet his deadline of passing the bills by the end of the year.

Coalition leaders appear to be making progress, however, towards settling the main difference over tax reform with the SDP.

The socialists opposed initial plans for an income tax cut, to be automatically followed by a consumption tax rise, on the grounds this would hit the less

The coalition is understood to be in the final phase of preparing plans for a tax cut to be financed by the issue of treasury bonds, to be followed by a possible rise in consumption tax at an unspecified later

 Department store sales fell 6.5 per cent year-on-year in October, for the 20th month running, according to the Japan Department Stores' Association. This is slightly better than the previous month's 6.7 per cent fall, but November sales are expected

escapes Jihad bomb blast

By Mark Nicholson and Shahira Idriss in Cairo

Mr Atel Sikdi. Egypt's prime minister, yesterday escaped an assassination attempt by Islamic militants after a powerful bomb exploded beside his motorcade near his home in northern Cairo, killing a schoolgiri and injuring at least

Mr Sidki, 63, was unscathed. Jihad, an extremist Islamic group, immediately claimed responsibility. The bombing was to "avenge the blood of the martyrs", a reference to Jihad members killed by security forces or sentenced to death in

The attack is the third failed assassination attempt on an Egyptian minister in eight months. Mr Safwat al-Sherif, information minister, survived a shooting near his home in April, while Mr Hassan al-Alfi, interior minister, was injured when a bomb exploded near his motorcade in central Cairo in mid-August, an attack also claimed by Jihad.

Six cars parked 800 metres from the prime minister's home were damaged by the blast; one, presumed to have contained the bomb, was destroyed. Mr Sikdi, on TV a few hours after the attack. warned the government would toughen its clampdown on Islamic extremists. "We are going to control this by all feasible, and any other means,"

he said. Eight members of Jihad, which its members claim is a revival of the group which assassinated President Anwar Sadat in 1981, were sentenced to death on terrorist charges last month. Nearly 40 extremists have been condemned to death since the government introduced special military courts earlier this year, and 18

have been hanged.
The government's security operations have led to an abatement in attacks on tourist targets and bombings in the Egyptian capital, although titfor-tat killings of Moslem extremists and police have persisted in in Upper Egypt. Since last year 210 people have died in extremist violence.

Another 400 alleged members of Jihad are scheduled for trial. facing possible death sen-

the General Agreement on

Tariffs and Trade, Reuter

All curbs on remittances of

capital gains and principal out

reports from Taipei.

Egyptian PM | Asian Moslems score gains

Rundamentalist Moslems won two victories over their secular opponents in south-east Asia yesterday, underlining the growing importance of Islam in the region's politics. In Jakarta, the Indonesian

government bowed to pressure from students and religious leaders and abolished a national lottery after weeks of demonstrations.

Gambling is prohibited under Islam, and the lottery was criticised for the way it was managed and for attracting money from people who could ill-afford it.

Ms Endang Kusuma Suweng, Indonesian social affairs minis-ter, told a parliamentary commission that the government was reversing an earlier decision to continue the lottery, which raised money for sports and welfare projects and contributed to the government's

Hundreds of students, confronted by riot police outside the parliament buildings. cheered the minister's In Malaysia's Kelantan State

1.400km to the north west, the state assembly unanimously passed a bill to introduce a sharia criminal code that includes stoning to death for adultarers and the amoutation of limbs for thieves. The Kelantan coalition gov-

months after initial approval

to bring funds into Taiwan, up

The 10 per cent ceiling on combined foreign investment



Moslem students outside the Jakarta parliament demand the abolition of the national lottery

Malaysia (PAS) who oppose the federal government of Dr Mahathir Mohamad, the prime ninister.

Malaysian officials say that for the measures to take effect in Kelantan, PAS will have to engineer a two-thirds majority in the national parliament in Kuala Lumpur to change the constitution.

10-15 per cent.

A constitutional amendment is likely to be blocked by Chi-

ists from the Parti Islam se- Moslems but the federal government has reason to be concarned: among the state legislators who voted for the sharia bill were two representatives from Dr Mahathir's ruling

National Front. "Let the law of the state be Islamic law," Mr Wan Najib Wan Mohamad of the National Front was quoted by the Bernama news agency.

Jakarta has ruthlessly suppressed an Islamic separatist

reforms, which still needed the

approval of the cabinet and in

with an honorary first name, Top Thai broker fined £1m

By Victor Mallet in Sangkok

Sumatra, but both President Suharto of Indonesia and Dr

Mahathir have sought to co-opt

staunch Moslems by encourag-ing "interest-free" Islamic banking and establishing Mos-

Indonesia, with 90 per cent of

its 190m inhabitants nominally

Moslem, has the world's largest Moslem population. In 1991,

Mr Suharto undertook a pil-

em organisations.

The Stock Exchange of common in Thalland, and the Thailand yesterday fined Phabroker which co-operates with S.G. Warburg on company ch, a total of Baht 40m (£1m) for breaking exchange rules. Officials said they thought the fine was the largest imposed since the exchange was founded in 1975.

Phatra Thanakit was guilty of automatically channelling a stock order from a sub-broker on to the market instead of rekeying the order on its own

computers, the exchange said. The practice is believed to be misdemeanour only came to Peregrine Finance and Securities, mistakenly issued a sell order worth \$1bn (£600m) for 200m shares in Ayudhya Investment and Trust (Aitco)

instead of the 2,000 actually

being sold by a client. Aitco only has 25m shares in issue, and 18m were sold before Phatra and the exchange was able to correct the mistake. The transactions were subsequently annulled, saving Pha-

tra from substantial losses. suspended, and after the suspension was lifted yesterday their 10 per cent limit, falling Baht 68 to Baht 636.

Some rival stockbrokers said the fine was reasonably severe. amounting to more than 4 per cent of Phatra's Bt912m net profit in 1992. They noted it did not preclude further action by the Securities and Exchange

Others, however, criticised the exchange for cancelling the Aitco transactions.

*

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of Taiwan by foreign investors in the island's securities maring would be raised to 20-30 kets would be removed, the

Taiwan vesterday announced a finance ministry said. Foreign

package of reforms easing investors would have nine

in any individual stock, and a 5 per cent ceiling on invest-ment by a single foreign institution, would both be raised. An official said the first cell-

The ministry planned to abolish all curbs on foreign some cases parliament. No investment in securities schedule was set. Foreign fund houses, insurance firms and investment companies. The reforms "will open our mar-kets, helping us to join Gatt and speeding our development into a regional financial centre," the ministry added.

managers welcomed the reforms. Curbs on fund remittances, such as a rule that capital gains can only be remitted out once a year, have beloed deter inflows of foreign equity investment funds, totalling All relevant government \$1.86bn (£1.24bn) since 1991.

per cent, and the second to agencies had agreed to the

Investors wary about China

Taipei eases foreign investment curbs

sian contractors and A western equipment suppliers were yesterwestern equipment day pondering the opportunities offered by Chinese plans to spend as much as 700bn yuan (\$140bn) over the rest of the decade in upgrading the country's transport and service infrastructure.

But a degree of wariness greeted the plans announced on Wednesday by the official Xinhua news agency, which said foreign participants would be encouraged to invest in joint ventures or as sole operators for the railway, highway waterway, pipeline and civil aviation schemes Beljing envis-

Some operators in the Chi-nese market noted that, while the authorities are clearly concerned that inadequate transport is holding back growth potential in the economy, large-scale national programmes announced in the past had amounted more to wish-lists than realistic shopping lists.

Others, pointing to the difficulties inherent in doing business in China, added that infrastructural projects rarely offered the best returns.

Companies in Hong Kong are arguably best placed to benefit from China's need for foreign participation in infrastructure development. They dominate foreign investment in road, rail, and electric power and are important players in the mainland's emerging market for telecommunications services.

in spite of peerless guanti (connections) many have encountered difficulties at the working level. Hopewell Holdings is currently building a sixlane toll-way between Shenzhen and Guangzhou in Guangdong. The road was due to be open in June this year. By the end of the year, at best, two phases of the four-phase project may be ready.

South Korean construction

new lucrative market. Several proposed ventures have collansed, however, including the construction of \$10bn motorway between Hong Kong and Beijing that involved Dong-Ah Construction and Pohang Iron

Japanese banks may be thought of as a source of fund-

Middle East to Asia during the next year or two.

last decade, view China as a Of leading Hong Kong companies, Hutchison Whampoz owns 70 per cent of a Yuan 500bn container port develop-ment at Yantian in Shenzhen, New World Development is involved in road and power station construction in Guangzhou, while Cheung Kong which also controls Hutchison - has interests in electric

Foreign participants will be encouraged to invest in joint ventures or as sole operators for infrastructure schemes

ing - the railway lines of northern China were con-structed under Japanese authority early this century, and Industrial Bank of Japan helped to raise the necessary finance by underwriting Manchurian Railway Bonds in 1907. But one hanker in Tokyo yes-terday suggested that infrastructure projects such as railways and ports appear to be among the least attractive in China, as ensuring a flow of hard currency for repayment would be difficult to arrange,

Most of the Japanese institutional lending has been aimed at hotel projects and joint venture companies. A China department manager at another Japanese bank, saying that "China is an awkward place to do business and you have to be aware of the risks," believed that infrastructural projects "would have to be very attractive if we were to be

All the same, contractors in the region are pursuing what deals they can. Korea's Dong-Ah, in spite of its other setback, signed a letter of intent with the Beijing municipality in July to build motorways, a subway and cement plant in the city with a total value of \$3bn. Hyundai Engineering and Construction is bidding for a \$3bn dam project companies, which have been on the Yellow River, which shifting their focus from the should be tendered within the

involved."

Consolidated Electric Power Asia (Cepa), a unit of Hopewell which it plans soon to float, is building its second thermal power station in Guangdong.

Among western suppliers which will be paying particular attention to China's spending plans are those providing railway equipment: the country aims to boost its railway net-work from 53,000km to 70,000km by the year 2000 and increase rolling stock capacity by 20 per cent.

According to Siemens of Germany, because of China's 1.2bn population and car ownership likely to remain at relatively low levels, the country needs an extensive public transport infrastructure. China has a well-developed

railway equipment industry, with 33 locomotive companies and rolling-stock factories. Steam engine production at the main Datong works ceased in 1988. The main emphasis has been on diesel and electrical units.

The majority of China's diesel and electric locomotives are locally built, but imports also rose sharply in the 1980s, with foreign suppliers including General Electric of the US, Alsthom of France (now GEC Alsthom) and Electroputere of Romania. Rolling stock has been supplied from the former East Germany.

Because of the strong local industry, Asea Brown Boveri, the Swiss-Swedish group, believes opportunities are more likely in supplying sophisticated components rather than complete foreignbuilt vehicles

Technology transfer for modern locomotive propulsion is one option. ABB has signed a letter of intent for a joint venture to produce signalling equipment, which it sees as a way for China to better use its railway network, safely.

Siemens also stresses the importance of local partnerships, and sees two key oppor tunities from the Chinese mar-ket. The first is in urban mass transit. A consortium including Siemens and AEG last week clinched a DM700m (£277.7m) deal to supply the trains and related electrical equipment for an underground southern province of Canton.

available in six or seven other Chinese cities in the next five or 10 years, Siemens said. The second main opportunity is in national rallway services, where China is consider-ing building a high-speed rail network. The first step would be a line from Beijing to Shanghai, which China has

already been discussing with

the hig western suppliers, nota-

bly Siemens with its ICE train

Similar projects could be

and GEC Alsthom, which builds the TGV. Expansion of the railway network also creates export opportunities for suppliers of premium grade rails such as British Steel. The UK steel producer sold 10,000 tonnes of such rail to China last year

and yesterday welcomed the

planned network expansion.

Reporting by Andrew Baxter in London, Simon Holberton in Hong Kong, John Burton in Seoul and Robert Thomson in Tokyo

STATE PROPERTY AGENCY

INVITATION TO TENDER

MERITUM Trust & Investment Co. (Budapest) on behalf of the State Property Agency of the Republic of Hungary

announces a one-round open tender

for the sales of 70 % of shares of

Hajdúsági Iparművek Részvénytársaság (Hajdúsági Iparművek Public Limited Company)

The registered capital of Hajdúsági Iparművek Rt. amounts to HUF 560,000,000.- (i. e. five hundred and sixty million Hungarian forints), 70 % of which will be sold. The face value of the block of shares to be sold is HUF 392,000,000.- (i. e. three hundred and ninety two million Hungarian forints).

(4243 Téglás, Hungary).

The equity of the Company is HUF 814,402,000 -. Scope of activity: production of washing-machines and electric water-heaters.

The bids can be submitted provided the tenderers have purchased the bidding documents Including the order of procedure and the information memorandum at the Secretariat of MERITUM Trust & Investment Co. (1146 Budapest, Hermina ut 17. 10th floor, room No. 1005, phone: 122-9898, 141-4357). Before purchasing the documents the tenderers shall sign a Statement of Secrecy concerning the data and information received. The price of the bidding document package is DEM 700,- to be paid to MERITUM Co.'s account No. (218-93098) 901-06019 with IBUSZ Bank Ltd. (Budapest).

> The bids shall be submitted in three copies on 6th January 1994 between 10.00 and 12.00 a.m. at the Registry Office of the State Property Agency Address: 1133 Budapest, Pozsonyi út 56.

The bids will be opened in camera, in the presence of a notary public. The announcer will notify the tenderers of the results of the tender until 31st March 1994. Regarding the tender any further information can be obtained from Mr. László Lik or Mr. Péter Bányász, MERITUM Co.

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S Africa mission marks change in US stance

By Philip Gawith in Johannesburg

Mr Ron Brown, the US commerce secretary, arrives in South Africa tomorrow for a visit which signals the opening of a more constructive era in economic relations between the two countries.

His trip comes only days after President Bill Clinton signed the South Africa Democratic Transition Support Act, formally bringing to an end the era of federal US sanctions aimed at ending apartheid.

Although Mr Brown's visit will probably have limited practical impact in the short term, it conveys a powerful symbolic message. Mr Princeton Lyman, US ambassador in South Africa, comments: "It signifies a very basic change from a negative to a positive relationship with South Africa. The whole tone shifts."

This shift from isolation to engagement was confirmed on Tuesday by Mr Clinton. He noted that removing sanctions was not enough. "Americans who have been so active in toppling apartheid must remain committed to building South Africa's non-racial market democracy."

"The visit confirms a real interest in South Africa's potential as a viable trading partner and bulwark of economic strength and on the continent," said Mr Brown.

Despite the impact of sanctions, there is a substantial base upon which to develop US-South Africa trade rela-

South Africa is only the US's 34th largest export market, but it remains the largest in Africa, a continent where, Mr Lyman concedes, "the US has not done very well".

The US recently surpassed Germany as South Africa's

It marks 'a very basic change from a negative to a positive relationship'

largest trade partner. Mr Lyman estimates bilateral trade now to be in the region of \$5bn. Commerce Department figures show that in 1992 US exports to South Africa totalled \$2.4bn, 14 per cent of South Africa's total import market, with US imports from South Africa of \$1.7bn.

The US has fared less well in terms of investment. Figures from the Washington-based Investor Responsibility Research Centre (IRRC) show that as of September only 135 US companies had employees or direct investment in South Africa, compared to 257 in May

The stock of US investment in South Africa is put at about \$1bn. Certainly, however, the trend has started to turn.

The past two months have seen food manufacturers Pillsbury and CPC International enter the market, following such other companies as Mars, Microsoft and Digital Equipment Corporation. IBM has recently confirmed it will probably be returning, Proctar & Gamble is known to be taking a close look and McDonald's, Anheuser-Busch and Hyatt are all expected to establish a pres-

A focus of Mr Brown's visit – his 50-member delegation contains representatives of many large US companies – will be an attempt to establish links between US companies and the emerging black business community in South Africa. Another issue sure to be discussed is South Africa's offer to Gatt in terms of the Uruguay round of trade talks. Aspects of the offer – particularly the high protection, and longer phasing-in period fortariff reductions for the clothing and textiles, motor and electronics industries – did not meet with approval from South Africa's trading partners.

Balladur may have to put his political survival on the line

France to use parliament as counter in Gatt talks

By David Buchan in Paris

The French government yesterday made clear its intention to use its parliament as an instrument of pressure in the Gatt talks, just as President Bill Clinton is using the time limit on his ability to get "fast-track" congressional approval of any deal to bring negotiations to an end next month. Prime Minister Edouard Balladur wants a draft Gatt text to put before both the National Assembly and the Senate between December 10 and 15.

Mr. Gérard Longuet, the trade minister, said yesterday.

After a subsequent cabinet crisis meeting yesterday on Gatt, it became evident that the government was hesitant about putting a draft deal to a vote, because constitutionally that would probably have to be done in the form of a motion of confidence in itself. Mr Alain Juppé, the foreign minister, said: "We first need to know whether there will be a [Gatt] deal, because one votes on

But, if such a draft Gatt text is not a law or international

Bangkok Land, the Thai

capital's biggest property com-

pany, has been picked by the government's Metropolitan

Rapid Transit Authority to negotiate and build an ele-

The MRTA's consultants, De

Leuw Carther International, said Bangkok Land offered the best scheme for building the

planned 20km loop of elevated

railway at a projected cost of about \$1.3bn (£880m). Two

other companies, Tanayong

and Thanachart Holding, are ranked second and third.

ton and Bouygues That, associates of Australian and French

groups respectively. The US-

German AEG Westinghouse

group is to supply equipment. Ironically Leighton and AEG,

as the Euro Asia Consertium,

bid for this contract in the

1980s when it was known as

Skytrain's original conces

sionaire, Canada's Lavelin-SNC group, was fired last year nearly two decades after the

Mr Anant Kanjanapas,

chairman of Bangkok Land, joins the long-running game of

trying to beat the political infighting and planning iner-

tia which has so far prevented

one metre of mass transit

track being laid to relieve

Bangkok's appalling traffic. However Mr Anant is unusually ambitious and confident:

he surprised the financial com-

munity in October by announ

cing a \$600m convertible bond issue in the international mar-

ket to fund the MRTA project

Fiat acts fast over

after investigators discovered

illegal copies of popular computer programs in use at La Stampa, the daily newspaper

owned by the Italian motor group, Alan Cane reports. The raid on La Stampa's

offices was authorised by the courts after the Business Soft-

ware Alliance, an organisation

of US packaged software sup-

pliers campaigning against software piracy, produced evidence that filegally copied

brought at least 150 actions against companies in Europe.

software was being used.

before he had even won it.

program copies
Fiat, Italy's largest private
sector company, bought 30,000
software licences in two weeks

the Skytrain project

roject was conceived.

Bangkok Land's turnkey contractors will be Thai Leigh-

vated mass transit system.

Bangkok

Land to

treaty - which it cannot be by mid-December - then under the French constitution the National Assembly can only vote on a matter of "general policy" involving a motion of confidence in the government

Procedurally, the previous Socialist government had to put forward a confidence motion in itself to get the National Assembly to vote a year ago against the Blair House farm trade deal between the US and the European Com-

Given that vote a year ago, and the subsequent raging national controversy over Gatt, Mr Balladur probably has no choice but to put his political survival on the line. A confidence motion should also have the effect of forcing his own RPR Gaullist party, which has a strong rural electorate, to line up behind his position.

a strong rural electorate, to line up behind his position. Equally, however, there is an outside risk of Mr Balladur being toppled, if for instance, he falls out over Gatt with his party leader and presidential rival, Mr Jacques Chirac. The latter would take France on an even tougher course in trade and European policy, a risk that Mr Balladur is now effectively, through his parliamentary tactics, asking his negotiating partners to weigh.

The irony is that the National Assembly - the directly elected house of the French parliament which determines the fate of French governments - has never before voted on any aspect of the Gatt negotiations, not on France's membership of Gatt in 1947, nor on any of the agreements from subsequent negotiating rounds.

• The main French farm union, FNSEA, has asked the French government to demand compensation from the US, Canada and Mexico for the diversion of French and European farm exports as a result of the forming of the North American Free Trade Agreement.

 Both US and European Union trade negotiators talked encouragingly yesterday about the prospects for successfully settling their differences in the Uruguay round of global trade liberalisation, David Dodwell,

World Trade editor, adds from Geneva,

They raised hopes that details of a deal might be ready for disclosure by Wednesday next week, when Mr Mickey Kantor, the chief US trade negotiator, flies to Brussels for further discussions with Sir Leon Brittan, his EU counter-

One senior US official fresh from this week's Kantor-Brittan meetings in Washington talked of "a close-out sort of mood" in the negotiations: "There was a very positive sense that we are going to get there," he said.

He also acknowledged that the terms of agreement - particularly in the area of tariff cuts on products such as semi-conductors, textiles, wood, paper, ceramics and glass - needed urgently to be spelled out to other negotiators well ahead of the December 15 dead-line for completing the round. He refused to detail the progress made in Washington, but said the EU knew the minimum acceptable to the US, while the US knew the best it could possibly get from the EU.

Japanese consortium wins Shanghai steel deal

By Robert Thomson in Tokyo

A consortium of seven Japanese companies has won a contract worth an estimated \$500m to \$600m (£340m to £405m) to supply equipment for a new steel production facility at the Baoshan complex, near Shanghai.

The Japanese group, headed by Mitsubishi Heavy Industries and Mitsubishi Corporation, signed a contract at the weekend, despite a long history of problems at the plant, touted as China's largest industrial project when conceived two decades ago.

Members of the consortium say they have been told by the Chinese partner not to release details of the contract, but the companies will supply equipment for a hot-rolled steel sheet facility capable of producing 2.8m tonnes a year.

plagued by problems after its conception, and a decade ago Japanese companies suffered when contracts to supply equipment were renegotiated by the Chinese government.

Construction schedules had to be revised because the

marshy plant site was far softer than estimated in a feasibility study and extra foundation work was necessary to stop the facility from sinking. Equipment exported from Japan was designed to process higher-grade ore than was generally found in China, forcing Baoshan to import more Australian ore than was planned. Meanwhile, the site's port was

too shallow for large ore carri-

ers to dock, forcing them to

ill supply equiphot-rolled steel capable of produnes a year. unload down river, increasing the transport costs. "We think we will have no problems this time," one of the Japanese companies said.
Apart from MHI and Mitsubishi Corporation, the consortium includes Mitsubishi Electric, Ishikawajima-Harima
Heavy Industries, Nippon
Steel, Chugai Ro, an industrial
furnace maker, and Ube Industries, a chemicals and machinery producer
It is understood that Bao-

shan Iron and Steel Complex corporation, which has traditionally relied on investment funds from the state, will be responsible for raising much of the finance for the expansion, to be completed in late 1996.

The Baoshan complex produced 6.3m tonnes of steel last year, and is expected to increase its output to 10m tonnes by 2000, as part of a national plan to lift steel production from 80m tonnes last

year to 100m tonnes by the cen-

Shiseido, Fujitsu plan ventures

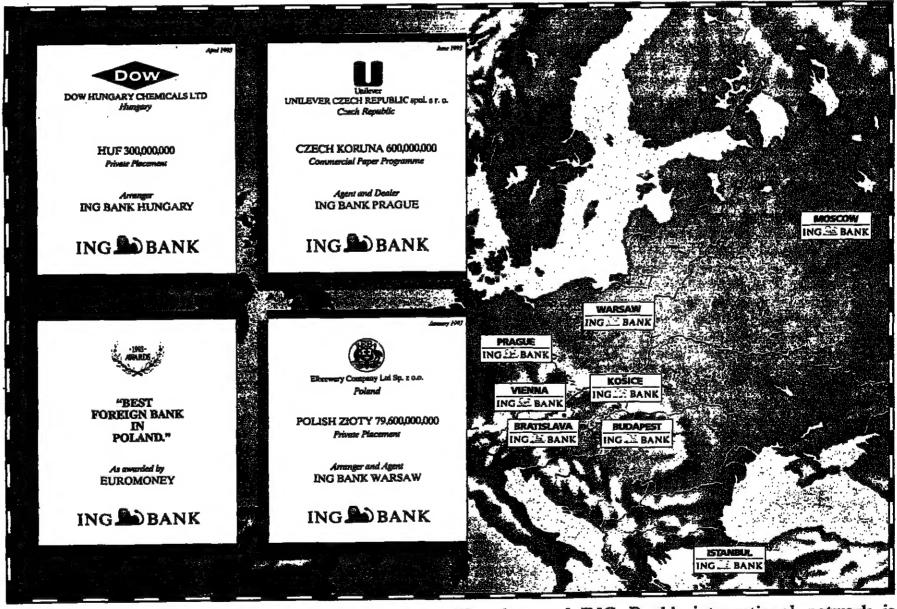
The queue of Japanese companies seeking to expand in China lengthened yesterday, when Fujitsu, the computer group, and Shiseido, the cosmetics maker, announced projects there, William Dawkins writes from Tokyo.

Fujitsu is planning to open two joint ventures there next year, to make 10,000 cellular telephones a month and 1m switchboard circuits a year. The aim is move from exporting cellular phones to China from the US and Japan, to producing locally, said Fujitsu.

The group already has a joint venture in Shanghai making switchboard software and hardware, and wants to expand to meet the growth in local demand.

Shiseido has announced the opening of a cosmetics factory operated with a local partner,

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Judge dismisses Polly Peck disqualification move

A HIGH COURT judge has dismissed on lack of evidence attempts to bring disqualification proceedings against four directors of Polly Peck International, the collapsed fruit-to-electronics conglomerate.

in transcripts of a hearing earlier this month which have just become available, Mr Justice Lindsay calls

"at best speculative and very weak". His ruling covers Mr David Faw-cus, Polly Peck's finance director. Mr Mark Ellis, joint managing director in 1983-87, and Mr Lawrence Tindale and Mr Ulf Siebel, two non-executive directors.

The judgment will prove an embarrassment to the Department of Trade and Industry, which was last month heavily criticised in a National Audit Office report on the

It appears to focus any responsibility for alleged misconduct among the directors solely on Mr Asil Nadir, the former chairman of Polly Peck facing charges valued at £34m for theft and false accounting who illegally jumped his bail conditions and fied to northern Cyprus in May. two years following the insolvency

But the judge said there had been delays in preparing the case that were "unressonable", and that there was "no good reason" for the exten-

The DTT's case was based on statu-

pher Morris, a partner with accountants Touche Ross and one of the joint administrators of Polly Peck. Most of the reports are believed to have been couched in general terms without strong specific evidence that would justify disqualification. One against Mr Nadir was highly critical The DTI initially launched and then dropped proceedings against three

other directors: Mr Asil: Doshi.

William Halpin and Mr Neil Mills, both non-executive directors. The franscript shows that the DTI case against the directors was based on four general charges related to failures to introduce adequate financial controls, and to monitor or ques-

tion spending in Polly Peck's Near East subsidiaries. The DTI has just a few days left for an appeal.

Hitler saw

Britain as

Britain suffered from such

severe internal divisions that

at the end of 1941 it could be

according to hitherto unpub-

lished documents from Britain's Public Record Office.

The intelligence files also

that Mr Winston Charchill,

the British war-time prime

tewart Dalby writes.

Anschwitz camp.

wartime

divided

Clarke hints at **Budget** tax rises

By Philip Stephens, Political Editor

Mr Kenneth Clarke offered a clear hint yesterday that the burden of fax increases in next Tuesday's Budget would fall on consumers rather than indus-

The chancellor's comments came amid Whitehall speculation that he will seek to soften industry of government spend-ing cuts by setting firm targets for privately-financed infra-

structure projects.

The officials said that to avoid the embarrassment of a ment's own capital spending they expected Mr Clarke to outline in much greater detail the contribution he expected private finance to make to new

to deny that he was offering a

minister in 1941, knew in generally upbeat ass attack on Pearl Harbour. of economic prospects of the need to expand Britain's manuas part of Britain's 'open gov-ernment' initiative, involves 1,200 files which additionally ear to confirm that as early

as 1942 the British govern ment knew about deaths at get industrial production up higher, adding that: "We all The reports itemise a report from the Japanese ambas meet businessmen and those in Berlin on German war plans as told to him by Joachim von Ribbenirop, Hit-ier's foreign minister, and give new insights into novel codebreaking initiatives in Britain which reveal that the Führer unacceptably high level". believed that conditions in

vithout an invasion, Britain the election, Mr Clarke might be beaten. reinforced expectations of fur-He cited the spilt in the Conther increases by stressing that servative party, the lack of confidence in Winston Charchill, and the revolutionary ideas of the Labour party were making internal conditions

Britain were had and thought that as a result of Germany's

future operations, it might be,

quite difficult. The class of records published contain the actual intelcover notes passed to Churchill, or in his absence to the Lord Privy Seal or deputy documents are available for

roads, prison building and housing projects.

Speaking in the his last Commons appearance before the

foretaste of next Tuesday. But his repeated emphasis in

facturing base left Conservative MPs in little doubt that industry would escape relatively lightly.

The chancellor told MPs that it was true that "we have to

working in industry who know at the moment conditions are very difficult indeed". He emphasised also the need for faster falls in unemployment, saying it remained at "an Facing a sharp attack from Mr Gordon Brown, the shadow chancellor, on its "broken promises" on taxation since

his party had not committed itself never to put up taxes. But he appeared to rule out that any increase in the stan-dard 17.5 per cent rate of Value Added Tax by insisting that Labour predictions of such a

move remained "spurious". That left Conservative MPs predicting that the brunt of tax increases was most likely to fall on income tax allowances the VAT base. There are also expectations that Mr Clarke inspection at the Public will again postpone the aboli-Record Office near London, tion of stamp duty on share

Trademark code 'should save UK industry £60m'

By Robert Rice,

Government proposals to reform trade marks law should save British industry £60m in the first year after implementation and £30m a year thereafter, according to Mr Patrick McLoughlin, trade and indus-

The Trade Marks Bill, published yesterday, will make it simpler and cheaper for businesses to protect their trademarks overseas and bring UK law into line with Europe, he

Half the savings in the first year will come from the UK's ratification of the Madrid Protocol on the international

registration of marks. This will enable businesses to register their trademarks in all the countries which are party to the Madrid Agreement with a single application. At the moment companies have to make separate applications

using local lawyers each time. The remainder of the savings will come from the streamlining and deregulation of procedures and from making it easier for businesses to protect valuable marks without baving to bring expensive and lengthy passing-off actions.

Some trademarks have been valued in balance sheets at several hundred million

Millions choose JVC.

distinctiveness. In future registration will depend on whether a trade mark is actually distinctive in the market place This means it will be possible to register three dimensional shapes and geographic words as long as they are distinctive. At the moment this is impossible under current law follow-Lords in cases involving Coca-Cola bottles and York Trailers Mr McLoughlin said it might also be possible to regis colour or even a sound or smell as a trademark, provided it was sufficiently distinctive and could be represented

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MPs from Britain's three main political parties yesterday issueched a poster campaign u chancellor Kenneth Clarke not to impose value-added tax on publications in next Tuesday's B

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Vehicle tag plan for motorways

By Philip Stephens, Political Editor

The introduction of direct charges on Britain's roads will be delayed until after the next general election by a govern-ment decision to rule out a system of permits to finance maintenance and improvement of the motorway network.

Instead Mr John MacGregor, transport secretary, has been given the go-shead to develop his long-term plan for electronic charging of motorway

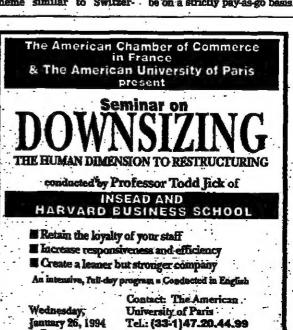
He believes electronic road tolls - based on computerised recorders or tags installed in cars and lorries - could be in place by 1996, a year or so after the last date for the election.

The government's discussion paper on road pricing suggested a permit system could bridge the gap before the technology now under development is sufficiently advanced to introduce electronic pricing.
Ministers said that the government could introduce a scheme similar to Switzer-

which motorists display a permit bought from post offices or petrol stations – by 1996. But Mr MacGregor intends to

announce within the next few weeks that the government has decided the idea is unworkable. Ministers decided that it would be foolish to introduce any charges before the next general election. And they concluded that the flat-rate charges implied by permits would alienate many of the Conservative Party's tradi-

tional supporters. The practical difficulties included the fact that the cost of permits would beer no relation to use, or timing of journeys. Once they had bought a permit motorists might increase their use of motorways to get the most from the cost. A flat-rate charge would also provide no incentive for off-peak periods. By contrast electronic pricing would provide the flexibility to vary charges for length and timing of journeys and charges would be on a strictly pay-as-go basis.



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EuroAir sues BAe for \$70m over aircraft

By Paul Betts,

Carlotte Comment Control

The state of the s

British Aerospace was yesterday sued for more than \$70m by a small Portuguese regional airline for alleged breach of contract and recurrent defects to three BAe Advanced Turbo Prop (ATP) aircraft it operated between

1988 and 1992. EuroAir, formerly a regional subsidiary of the Portuguese state-owned airline TAP, issued the writ in the UK Commercial Court, claiming it had been persuaded to acquire the ATPs by the "negligent misrep-

resentations of BAe". It claimed that from the time it began operating the aircraft on the Oporto to Lisbon route, it experienced "recurrent technical breakdown due to faults in the aircraft designed and manufactured by BAe".

EuroAir is claiming "in excess of \$70m damages from BAe and CIBC Pinance Pic, the lease financiers of the aircraft,

for being in breach of the implied terms of the leases. The court documents show that CIBC Finance, part of the Canadian Imperial Bank of

craft upon repossession of

trading profits.

comment on the writ except to say that 50 ATPs were currently in service with airlines in the UK and overseas and were "operating successfully".

BAe's announcement that it was studying forming a joint venture to develop and manufacture turbopropeller aircraft with Indonesia's state-owned aerospace company IPTN.

Minister rebukes

Nuclear Electric, the state-owned electricity generator which runs 12 power stations, yesterday received a highly unusual government rebuke when Mr Tim Eggar said it was for ministers to decide whether the industry should be privatised.

The energy minister said the industry had to be realistic both about the desire of government to offer financial support and about "difficult" issues" it would be raising in the forthcoming nuclear

Any decisions about privatisation would be taken by the government "when it is appro-priate to do so and not before." His comments in a speech to

Commerce, repossessed the original three aircraft and claims EuroAir owes it \$37.9m. But the airline disputes this indebtedness and claims credit for the value of the three air-

about \$39.3m. EuroAir claims it lost \$11.1m during the period it operated the aircraft and an additional \$66m for the effect on future

BAe last night declined to

The writ coincided with

Nuclear Electric

By Michael Smith

trade unionists represent one of the strongest attacks by a minister on a state-owned company. They follow Nuclear Electric's decision to stage a public campaign for privatisa-tion ahead of the nuclear review the government has promised to launch this year. Nuclear :: Electric also angered the trade and industry department in October by seek ing planning permission for its proposed Sizewell C nuclear

plant in Suffolk prior to the outcome of the review. Mr Eggar provided some comfort for Nuclear Electric by saying the long-term future of the nuclear industry must be in the private sector. "I do not think the question is whether, but how and when it gets

Dublin police probe leaked memo

Model plan for Ulster assembly

Irish government yesterday underlined how seriously it regards last week's leaking of draft proposals for a political settlement on Northern Ireland by bringing the Irish police commissioner Mr Patrick Culligan into its efforts

The move came as the IRA said it was committed to securing "a just and lasting" peace, while accusing London and Dublin of "playing politics" with the issue. Using an article in its Republican News mouthpiece, the

rial efforts to broker a compro-

government's proposals.

At last year's abortive talks,

agreed a blueprint for an 85-

seat assembly with some legis-

It is this provisional model

which provides the best

pointer to how the new body

might be structured. It is far

from certain, however, that all

party leaders would find it

The 85 assembly members

would be elected under a sys-

tem of proportional representa-

tion from the 17 Northern

Unionists would probably

accepts that even if the assem-

bly effectively began life as a regional council, its role would later be expanded if it func-

Ireland constituencies.

tioned effectively.

lative powers.

recent suggestions it might be tiring of the armed struggle.

The governments in London and Dublin should "harbour no doubts about the determination with which we, our activists and supporters will apply ourselves to realising our objectives," the article warned.

Accusing Britain of being "negative and dismissive" about the initiative launched by Mr John Hume, leader of the mainly Roman Catholic Social Democratic and Labour party, and Mr Gerry Adams, president of Sinn Fein, it rejected as "propaganda" the view that Republican involve-

ment in seeking peace stemmed from a position of weakness.

It said the initiative offered "the opportunity to move the situation on." "If the London and Dublin governments are saying they have an alterna-

In Dublia, Mr Dick Spring, the Irish foreign minister, offered fresh assurances to unionists about Dublin's intentions in efforts to reach a settlement.

"There should be no fears or suspicions among unionists. We are trying to end a very complex problem and bring

ple can live and work together

as friendly neighbours." "I just wish that people could see that and have talks on the basis of tolerance and respect." He hit out at the perpetra-tors of last week's leak, branding the perpetrators "the real

betrayers of both communities in Northern Ireland." Mr James Molyneaux, the Ulster Unionist leader, this week urged Mr John Major to drop his search for a comprehensive settlement, claiming Dublin's proposals offered "a

structure that would bring about the unification of the

Britain in brief



UK official 'forgot' Iraq arms data

administrator "forgot" to inform a minister that Matrix Churchill, an engineering company, had supplied Iraq with machine tools that had been used in the manufacture of missiles, the Scott inquiry heard. Mr Eric Beston, the official with the Department of Trade and Industry responsible for export licensing, said he had been told about the project through a secret Whitehall committee investigating Iraqi arms procurement, but had forgotten about

it over the summer holidays. This intelligence indicated that Matrix Churchill's lathes had been turned to military use at an Iraqi factory. But Mr Beston neglected to mention this in a letter to the trade minister of September 1898 ahead of a crucial meeting with the company.

Employer plea on more taxes

The Confederation of British Industry issued a plea to Mr Kenneth Clarke to refrain from a tax increase in next week's Budget on the grounds that this would jeopardise the

recovery. Mr Sudhir Junankar, head of economic trends for the employers' organisation, said any tax increase on Tuesday would put the UK into "uncharted waters" coming on top of the £6.7bn of higher taxes already announced for

In its quarterly economic forecast the employers' body is drastically reducing its estimate of likely UK growth next year because of the effects of the fiscal tightening and weak demand prospects in many overseas markets. It is particularly worried by the outlook for companies whose profits are expected to grow only sluggishly next year after a big jump this year.

next April.

Wage pressure seen as danger

Manufacturers in the West Midlands fear that growing pressure for higher wages will damage both their competitiveness in export markets and the chances of a quicker recov-

ery of the domestic economy. The fears emerged at a meeting in Birmingham of the regional council of the Confederation of British Industry.
They reflected the increasing difficulties of exporting companies in hanging on to their customers in depressed European markets, particularly Germany.

There are no reports of industrial disruption, said Mr Bryan Townsend, the chairman of the regional CBI and chairman of Midlands Electricity, but "there is pressure on wages we have not seen in recent times. We are seeing it at a time when margins are getting tighter."

Maritime group established

An Alliance of Maritime Regional Interests in Europe (AMRIE) is to be set up to provide a coordinated political voice for the maritime regions at European, national and regional levels.

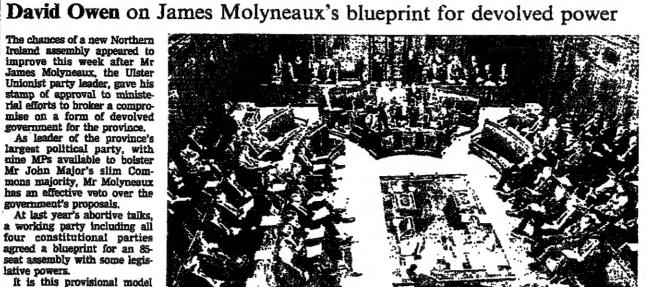
AMRIE's main office will be based in north east England, in Type and Wear, it will also

have a Brussels office. The body, which is an initia-tive launched by three MEPs to boost economic development and environmental protection within maritime regions, has support from private enterprise as well as from public authori-

Siemens-Plessey wins radar deal

Siemens-Plessey of the UK won a £25m radar contract from the Ministry of Defence. The RAF contract was won in the face of stiff international competition and boosts the chances of substantial export

It is for three tactical air defence radars that will be used for operations overseas. They will replace existing Type 95 radars which have been in service since the 1960s and which are increasingly difficult to maintain.



the price of unworkability." Rev Ian Paisley's hardline Democratic Unionist party has proposed that the assembly have a right to submit to parliament any proposal securing the support of 60 per cent of assembly members.

There would continue to be a push for most legislative powers to be retained initially in Northern Ireland secretary, but each of the Northern Ireland London, But Mr Molyneaux Office's government departments would be answerable to an elected assembly member. There are currently six departments, but they could be divided into smaller units.

"I have always said I am in It is understood that agreement was reached for these favour of devolved government departmental heads to double at as high a level as can be obtained without paying up as chairmen of the assem-

bly's committees. A formula would be applied to try to ensure that the number of these positions held by each party was proportionate to its numerical strength in the assembiy.

The working party is also said to have agreed that a three-member 'panel' be set up, with its members elected in a similar way to the province's This panel could be given

powers of adjudication over controversial matters. Under one possible mechanism, it would be brought into play if 30 per cent of assembly mem-

According to some accounts,

Ancram if he secured agreement to the proposals outlined in the abortive talks, "If they find they cannot identify common ground at that level, they should move down the scale to a point where there is."

week or two."

the panel's role might include

approving public appointments

in the province and promoting

In Mr Molyneaux's view,

there is a "fair chance" that Mr

Michael Ancram, the Northern

Ireland minister, can find com-

mon ground enabling the par-

ties to start the process of

restoring accountable democ-

racy for the province "within a

He says he would back Mr

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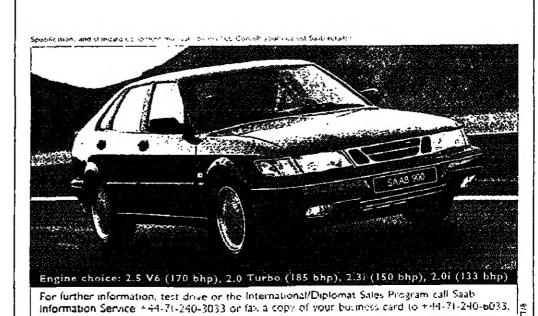
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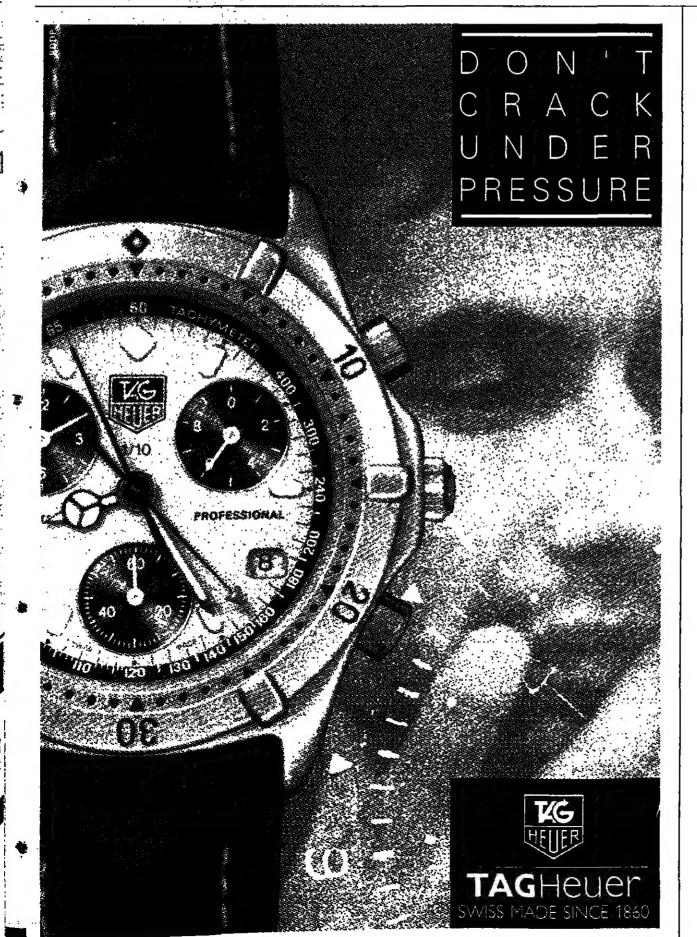
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Foreign forays in bargain Britain

he time to sell is when a foreigner starts to buy," is an old investment adage that held true in the UK in the late 1980s: between 1988 and 1990, an unprecedented wave of overseas money - some 27.5bn poured into Britain's commercial

In contrast, while capital value growth reached a peak in 1988, rising by some 20 per cent in that year alone, by 1990 values were falling sharply as the market reacted to rising interest rates, a deteriorating economy, weakening demand and

oversupply.
In hindsight the burst of foreign investment activity was both poorly timed and too focused on central London offices. If overseas investment in UK property had ceased at the end of 1990, observers would have rightly described the foray as a passing fad that rose and fell with the boom and bust of the late 1980s. However, the recent renewal of foreign activity is a positive development, suggesting interest in UK property is likely to be sus-

In the last property cycle in the late 1980s, overseas investors followed the market up to its peak and beyond; since last year they have been setting the pace in exploiting opportunities in the low point of the cycle - with property prices at his-torically high yields and the economy recovering.

As a result, the old investment adage now has a hollow ring, no doubt many UK investors wish they too had spotted the opportunities at Peter Evans on the impact of direct overseas investment

buying as quickly as, for example,

Although some way off the peak levels of 1988-90, foreign direct investment in UK property this year looks set to total £2bn-£2.25bn. This activity has been spurred by several factors, notably sterling's exit from the exchange rate mechanism last September which has made UK assets relatively cheap; lower inter-est rates; and an improving econ-omy. Collectively, these factors justify industry expectations of continuing strong inflows of foreign investment at least until the end of

Another underlying attraction has been the UK's landlord and tenant system with its long leases, rent reviews and tenant responsibilities for repair and insurance.

At a broader level institutional investors look to cross-border diversification as a means of achieving a more balanced portfolio and a spread of risk. The continuing process of deregulation of cross-border capital transfers in Europe makes a globally-spread portfolio more attainable. However, the inability of most European property markets to provide objective performance measures is a constraint on potential foreign investors. The UK's established market and reputation for high-quality measures of performance help ensure it receives at least its fair share of international flows of investment.

The greater overseas investment the low point in 1992 and begun in the UK in the past year has been UK property: challenge from abroad Total 21,634m # Q3 1993 in UK property - For Exist 15%

countries. Between 1988 and 1990, overseas investment was dominated by Japanese and Swedish investors; in 1992 the Germans were dominant, accounting for about 60 per cent of the total. This year German investors have been responsible for about a third of the £1.6bn total invested in the UK with other European sources accounting for 25 per cent, the Middle Rast 17 per cent and the Far East 15 per cent.
The broadening of the overseas investor base is an important

change. It potentially beralds a

future pattern of activity less volatile than has been the case with one or two countries dominating the

Cross-border investment is inevitably mercurial as it reflects a mix of forces at work in the source market as well as in the target market. As a result, there is a greater prospect that the more diverse mix of overseas investors will reduce the likelihood of sharp rises and falls in investment.
In addition to the enlarged inves-

tor base there has been a marked expansion in locations identified for investments. A narrow focus on central London still predominates but over the past couple of years a quarter of purchases by overseas investors has been in the regional property markets.

This reflects several influences:

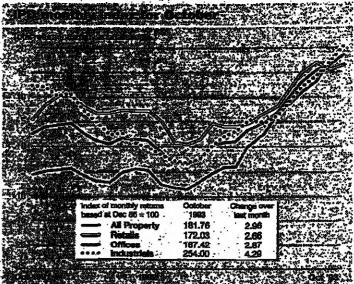
reduced availability of suitable property in London; an increasing understanding of the UK provincial markets; and a belief that performance will be strong in certain sec-tors or regions. This broader approach to location is likely to con-

investment from overseas can now be considered a permanent and important part of the UK commercial property market. Over the past five years foreign investors have accounted for at least 15 per cent of all annual transactions. Yet their impact has been much greater than the figure suggests, given the par-ticular concentration of foreign money in central London.

In the immediate future, although flows of overseas money for direct property purchases should continue d £2hn a year, the greater geographical spread of investments across the UK will diffuse the

Where the effect may continue to be strongly felt will be in the market for properties in excess of £50m.
In this category, the capacity of certain overseas investors to compete for the most valuable lots should continue to bring an additional element of competition to an, at times, illiquid part of the market.

The author is director of research at



Index hits record high

he total return on the Invest-ment Property Databank all-property index in October the performance leaders, each postwas 1.7 per cent, taking the index as a whole to 181.76, a record. (The previous peak of 179.70 was reached in January 1890, at the end of the 1980s boom.) The total return for the first 10 months of the year is now 9.2 per cent. Rental value growth was nega-tive in October, but capital growth has been positive in each of the past five months, reaching 0.9 per cent last month. The all-property aggregate equivalent yield fell 0.1 percentage points to 9.5 per cent, its lowest level since February

ing a total return of 1.7 per cent retail reported a total return of 1.6 per cent. For the year to October, total return on retail property reached 10.4 per cent, with indus-trial property at 9.8 per cent and office property at 7.3 per cent. IPD says: "Market circumstances are unprecedented. With the down-

ward trend in rental values now stretching to within a month of three years and yields half a point below their peak, the index of total returns manages to reach a record high off its biggest monthly movement in five years: a boom and recession at the same time?"

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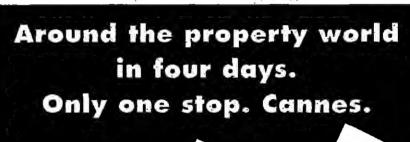
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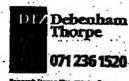
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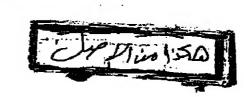
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A publicity-shy scion of aristocrats who made their name fighting for the former kings of Italy may not be the most obvious future boss of Fiat, one of Europe's biggest

nies. The choice seems even less appropriate for someone whose entire carear has been in finance and whose sharp looks are more those of the international investment banker than the hard-nosed industrial manager typical of the

ment banker than the hard-nosed industrial manager typical of the Turin-based cars' group.

Yet in spite of his reluctance to be interviewed, let alone quoted, Gabriele Calateri di Genola, managing director of the Fiat-dominated till investment company, is thosed to

director of the Fiat-dominated [fill investment company, is tipped to head Italy's biggest private-sector company before long.

Any change at the top of Fiat will be part of the gradual change already under way within the group, which has seen the controlling Agnelli family progressively withdraw from everyday involvewithdraw from everyday involve-ment and a new cadre of top-line managers increasingly take over

"I'd take him on tomorrow if I thought he'd move," is how one of Fiat's leading rivals sums up his view of Galateri.

However, the chances are remote that the man who was promoted this month to managing director of Ifi, the quoted investment company which controls Ifil, will break ranks with the quasi-regal Agnellis who control the first empire. His loyal-ties are pegged to the family, notably Umberto Agnelli, Ifil's chairman and the younger of the two Agnelli brothers who dominate its far-flung

business interests.

Together, Galateri and Umberto Agnelli have built up ifil from a captive Fiat company, whose main asset was Fiat shares, into an inter-nationally diversified holding group with activities ranging from retail-ing to resorts, food to fancy goods. The strategy has worked cousolidated net profits soared 260 per cent-from L54bn (£2L5m) in 1987, just after Galateri joined, to L198ba last

Galateri's loyalty to his employers may be in the blood. His Piedmontese antecedents were among the closest supporters of the House of Savoy - Italy's former royal family - and its Turin court.

Yet Galateri abhors the Italian tendency of identifying companies with their controlling shareholders or managing directors. "The star system in Italy is something I don't personally like very much," he says.

His management style is exactly the opposite. Press shy to the extreme, his face hardly ever

d in

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EXTAGE

EUROMANAGERS TO WATCH

Fiat's boss in waiting

Gabriele Galateri di Genola is tipped to head Italy's biggest private-sector group, writes Haig Simonian



Sebricle Galateri: prepared to take over the rains with the support of the Agnellis

many prominent colleagues, to be quoted on popular issues of the day. Discretion may be the better part of valour. Still only 46, Galateri has swiftly and successfully climbed the Agneili corporate ladder. After studying law at Rome, he took an MBA at Columbia and entered the international division of Banco di Roma: He then moved to St Gobain, where he became finance director of the Italian subsidiary at 27 and assistant to the group finance chief in Paris soon after.

In 1977 came the decisive move to Flat, first as an executive in the finance department responsible for appears in the papers. Interviews, the Americas. Six years later, he are rare, while he refuses, unlike was promoted to finance director. In

1986, he transferred to Ifil with the mandate to rejuvenate what was largely a shell used for internal group transactions, such as the complex mid-1980s' assets swap when cash-rich Ifil bought a large block of Fiat shares formerly held by the Libyan government. His goals were to diversify and internationalise. Investments had to be made in non-cyclical businesses to complement the volatile cars side. And the heavy dependence on Italy had to be reduced to smooth Ifil's earnings stream.

Foods, tourism and, most recently, retailing were identified as ideal investment candidates, prom-ising reliable, if undramatic, profits growth and the potential for capital

Product diversification went hand in hand with strategic partnerships with foreign specialists in Ifil's chosen sectors, notably in France, to broaden its geographic scope. Those partnerships have been underscored by equity stakes, funded invariably through Ifil's cash flow or rights issues rather than debt.

Saint-Louis, the French industrial group with substantial food indus-try interests, has become one key partner. Ifil now holds more than 15 per cent and has an agreement to rise to more than 30 per cent, putting it on a par with the controlling Worms family.

Galateri's choice in tourism has also taken Ifil across the Alps. Ifil has an agreement with France's big Accor hotels group to create a new

hotel chain in Italy.

But the most lucrative partnership so far involves BSN, the big French foods group, in which Ifii has almost 6 per cent. Ifil has made big capital gains by selling its domestic food operations to its big-ger French partner, eager to break into the tightly controlled Italian market, while the two companies also have an ambitious joint ven-ture in Asia. The strategies have worked well. Ifil's dependence on Italy has fallen from 100 per cent in January 1987 to 51 per cent now. Over the same period, its exposure to Fiat has fallen to 34 per cent from 67 per cent.
This month brought two further

advances for Galateri: his appointment alongside Umberto Agnelli as loint managing directorship of Ifi, confirming his place as one of the Agnellis' most trusted lieutenants; and the conclusion of Ifil's controversial bid to take control of La Rinascente, the Fiat-controlled

He denies criticism that Rinas cente was foisted on Ifil by Fiat's bankers to bolster Fiat finances during a heavy investment phase. With Italian retailing going through a belated revolution as small city-centre shops give way to hypermarkets, Rinascente is well placed to benefit, he believes. And considerable scope exists for synergies between lfil's interests in producing food and Rinascente's expertise in selling it.

For a manager in a country where business has largely steered clear of big international alliances, it is a considerable record. But the close association with the Agnellis also means a commitment to Turin, the home of Fiat. "I feel just as comfortable here as in London, Paris or New York," he says. "The style of work doesn't differ in any way." "A manager's lifestyle here can

be different. I have a very quiet working environment and there's much less stress. Bigger cities may be more exciting, but which is bet-ter on balance?"

Why Michael Heseltine is absolutely right

A t the end of a seminar on corporate "performance improvement", the manufacturing director of a well-known British engineering company took aside the consultant who had led the proceedings. "I'm disap-pointed," he said. "I haven't learned much - we're doing everything you talked about."

"Oh really?" replied the consul-tant. "Yes," said the director. "For instance, I bet you don't know our warranty defect rate" (the propor-tion of products that fail within the first year). "Thirty per cent?" asked the consultant. "How did you know?" beamed the director.
"Because that's your industry's

werage in this country," the consultant replied, "Aren't you ashamed when the mean time between failure for TV sets is now 12 years?" he continued. Retorting that "TVs are simple compared with what we make", the director

Three years later, his company is losing market share rapidly to a competitor which has raised its quality far above the industry average. It is run by a team of newcomers who moved in from continental European companies and are busy applying the skills they learned there.

The consultant in question, Mark Smalley, recounts what be calls "this appalling story" to reinforce this week's attack by Michael Heseltine, the UK trade and industry secretary, on British managerial complacency.

Smalley, who directs the Mid-lands office of PA Consulting, and ilso heads its strategy unit, has plenty of other horror stories about British managerial self-de-lusion, insularity and unwillingness to learn.

For the past decade he has led groups of executives on short, fact-finding trips to Japan. "In spite of Japan's success, many of them start out thinking the Japanese do things differently and therefore wrongly," he says. "It takes two days to turn them round. It is not that British managers

have a monopoly on complacency: a Cranfield Business School study of companies with less than 500 employees, which was cited by Heseltine – but only for its UK results - suggested that the prob-lem was almost as bad in Spain and even worse in Italy.

Christopher Lorenz looks at Britain's myopic managers



I'VE FORGOTTEN MORE ABOUT COMPLACENCY THAN MOST PEOPLE EVER KNOW."

But, with respect to those countries, that is no great reassurance to the British. Their arch-rivals, Germany and France, came out of the survey far more respectably. Though German managers and companies were seen by others as best in Europe, they underrated their own strengths and assessed their weaknesses realistically - precisely the opposite characteristics from the British. The Freuch, though a bit over-confident, were pretty realistic about their pluses and minuses.

On the face of it, the Cranfield findings look odd: most detached observers - Swedes, say, or Japa-nese - would rate the Germans as more arrogant than the British and the French even more so.

Nor, one might think, would managers in large companies with considerable international experience suffer from anything like the degree of self-delusion as those from a bunch of smaller enterprises such as those in the Cran-

Smalley begs to differ. His recal-

company, as do some of the most blinkered executives on his Japanese tours. He attributes the prob-lem not to arrogance in the usual sense, but to a reluctance - or inability - to learn from the dis-

comforting experience of others.

Both Smalley's points would seem to be borne out from a surprising quarter: an informal club of 16 big multinationals which have spent the past decade trying to do precisely that, through benchmarking and a range of other practices.

Called the Inter-Company Pro ductivity Group, the club covers a much broader range of issues than its name suggests: quality, organisation structure, product innova-tion, information technology, skills training, management devel opment and motivation and re-en gineering. Its membership list is impressive, including the likes of British Airways, Courtaulds and Unilever, plus the UK operations of Nissan and top US companies such as Heinz and 3M. Their managers are far from blind.

Yet according to John Russell consultant to the group, incipient complacency was evident from an opinion survey and benchmarking exercise carried out just before the group's 10th anniversary meeting a month ago. Most senior manag-ers surveyed showed little know-ledge of their competitors' performance in 17 areas which the group has identified as key to succes

To the frustration of Russell and other speakers, the three-day meeting of teams from each company was permeated by a sense of premature satisfaction with companies' existing improvements. If complacency, however under

standable, can grip a group of such relatively advanced compa nies, it is not surprising that it swamps so many lesser fry.

The most powerful antidote to managerial complacency is close-ness to a demanding set of customers - witness the impact which US electronics companies, British food retailers and the Japanese motor assemblers have had on their UK suppliers.

The next most forceful antidote

is benchmarking. But neither remedy will work if a company's executives are ill-trained, myopic and therefore poor learners. Far too many British managers, young

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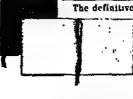
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There are conflicting signals over

the future of solar energy,

writes Victoria Griffith

Twilight hour

Worth Watching · Della Bradshaw



Calling a halt to traffic chaos

Anyone in a UK company from the director to the messenger can now check the traffic before setting out with Trafficmaster, which enables drivers to learn the location of traffic jams.

Trafficmaster, sold by Cray Systems, of Fleet, Hampshire, uses infra-red sensors installed on motorway bridges to measure the speed of travelling vehicles. Once a jam is spotted the sensors send a radio signal to the computer centre, from where it is relayed to companies taking the service.

There the data are displayed in colour on a 386-based PC running under Windows. The data can be networked, so that anyone on the corporate network has access to traffic news. The information is updated every three minutes. Cray Systems: UK, 0252 625121.

Data networks keep ahead of the pack

The market for data networks in Europe will be worth Ecu4.8bn (£3.65bn) by 1997, almost double the market in 1992, according to the latest forecasts from consultants Ovum.

According to Vans Morkets Europe, the traditional telephone companies will take a decreasing share of the market for these value-added networks, which include packet switched, X.25 and managed data networks. France and Germany are the two biggest markets, followed by Spain and the UK. Ovum: UK, 071 255 2670.

HDTV makes its video debut

High-definition television has taken off most rapidly in Japan, where Toshiba has announ a video cussette recorder for high-definition digital

transmissions. The recorder is aimed at production and broadcasting companies, which have been using open reel machines. The GBR-1000 VCR records up to 64 minutes of video to the 1125-line Japanese HDTV British companies which want

to stun their clients with high-definition corporate oresentations can turn to Creative Technology, in London, which records tanes in the Japanese format. The tapes can include still photos, graphics or moving images and are displayed on HDTV sets. Toshiba: Japan, 3457 4511. Creative Technology: UK, 181 377 1980.

Electricity finds a great conductor

Everyone knows if you are struck by lightning you have a better chance of survival if you are standing on a stone floor, as it prevents electricity passing through the body. In computer rooms or operating theatres the problem is the opposite: how to conduct the electric force away from expensive components.

Frankfurt-based Degussa has developed a floor coating from methacrylate resin which is conductive - the first time such a combination has been achieved. Because the flooring is resin-based it hardens extremely quickly and is resistant to chemicals. The Degadur VP 070/ 071 system incorporates special fillers in the resin to establish a high level of conductivity. Degussa: Germany, 69 218 2860.

Less heat in the kitchen

Few top-class restaurant kitchens would be complete without heat and bustle. But the demands of the environment, as well as rising fuel hills, could mean the heat will soon be decreased.

David Burnett Associates, of London, has devised a gadget to cut the gas without reducing a chef's creativity. Many chefs leave the gas ring burning after removing the saucepan. The AFR (automatic flame regulator) is a valve which complements the manual gas control. A rod attached to the valve opens and closes it: when the pan is removed the lever rises and the valve closes, when the pan is replaced the valve opens and the gas flames burn again. David Burnett Associates: UK, 071 735 9053.

lthough the widespread use of solar energy has long been a dream of ecologists and politicians, the private sector is sending out mixed signals on the industry's future. On the positive side, Southern California Edison, the electric utility, has just unveiled a pilot programme to offer solar energy to rural cusomers. Sounding a negative note, Mobil Oil announced this month

for sale. Solar energy has always struggled with a dilemma. To bring down costs, many more people must buy the technology. But to attract more buyers, the industry must bring down costs. Economies of scale are the elusive key to success.

that it was putting its solar arm up

Sceptics say the failure to resolve this dilemma has turned solar energy into little more than a pipe fream. "The sector is tiny and we don't expect it to become a major player in the energy industry for the next 20 years, at least," says John Lord, a spokesman for Mobil

Solar energy proponents are pinning their hopes on rural customers. They believe heightened demand for solar power in remote areas will add enough economy-of-scale benefits to usher the sector into a new phase of high growth.
For off-grid users - homes not
already served by a utility - solar
energy is already highly competitive. For off-grid customers, solar energy fills an important niche. says Alan Panton, solar sales manager for Kyocera of Japan, the semiconductor ceramic package maker. "It's just a matter of getting the

awareness level up."
There are lew cont-effective alternatives for rural homes. Running an electric line through miles of wilderness to service a single user is prohibitively expensive. In the past, rural residents relied on personal perators for their energy needs. Recently, however, many have turned to solar power.

Increased demand by off-grid cus-tomers has helped to build the industry into a \$1bn (2600m) a year worldwide operation, according to Strategies Unlimited, the consultancy group. Growth has been robust - averaging an annual 20 per cent over the last few years.

Siemens, the German electronics group, British Petroleum and (yocera all have solar divisions and a number of start-up groups are being drawn into the industry. "With the large oil companies walking away from this, it creates more space for small entrepreneurial companies like mine to step in, says Vijay Kapur, president of International Solar Electric Technology. Utilities are hoping to capitali on the surge in demand for solar

energy by acting as the middleman. Pacific Gas & Electric, for instance,

ting a home with solar energy. The utility would then charge a monthly fee for the installation. "By mid-1995, we should offer solar energy to off-grid users on this basis," says Howard Wenger, senior project

is considering a programme which

would finance the initial cost of fit-

manage for Pacific Gas & Electric. Solar energy advocates believe the main increase in demand, however, will come not from industrialised countries but from developing ones. Governments in South America and India have expressed keen interest in using solar energy to

is the sun setting on color energy? It still connot compete in the 'on-grid' market "electrify" remote communities. This interest is being fuelled by World Bank funds earmarked to

promote solar power. Proponents hope that demand from developing countries will infuse solar energy with enormous economies-of-scale benefits. "Can you imagine the demand it would creata if countries like China caught on to this?" says Kenneth Zweibel, a manager at the National Renewable Snergy Lab, a research facility funded by the US Depart-

ment of Energy. Just how quickly a critical mass

can be achieved is uncertain. The sector's inability to compete effec-tively in the "on-grid" market is a

big drag on growth. For home-owners hooked up to an electric utility, solar power is not cost-effective. Solar energy per kilowatt hour, for instance, is estimated at 2.5 to five times more expensive than electricity. "Right now, there's no way solar energy can compete with electricity, oil and natural gas for ongrid customers," says Michael Merio, head of research, develop-

ment and demonstration at

Southern California Edison. According to Pacific Gas & Electric, however, there may be excep-tions to this rule. "If demand stays stagnant, it's probably not cost of fective, says Wenger: "But if demand increases to the point that you'd be looking at a new nuclear power plant, or if you had to ungrade the lines to a certain neighbourhood, all of a sudden it looks feasible." Wenger says the company is considering mixed-use areas, which would switch to solar energy

at peak-use times.
Solar energy may also get a boost from improved technology. The US government has been providing tax subsidies for research in solar power since the oil crisis of the 1970s. As a result, technology has improved tremendously. Photovoltaics - the solar industry's equivalent of the computer chip - are far more efficient in translating the sun's rays into usable energy.

Photovoltaics are also cheaper to manufacture and install than they were a decade ago. The solar pame manufacturer International Solar Electric Technology, for instance, has managed to slice the silicon wafers used in solar energy in half, thereby cutting the cost of produc-tion. The solar energy division of Texas Instruments has reduced the cost of installation by using lighter weight, flexible panels.

Because of these advances, solar panels are now just 5 per cent of their 1978 cost, according to John Schaeffer, president of the solar energy group Real Goods Trading. Despite the advances, the US government feels technological improvements will not be sufficient to make solar energy competitive. Technology can play a role in bringing down costs, but what we really need is an increase in

sion of the US Department of Energy. Because of imponderables such as the level of government subsidies, it is difficult to assess whether solar energy is headed for boom or bust. It will probably continue to stumble. along for the next few years at least, in search of the elusive critical mass that would make it a significant player in the worldwide energy sector.

demand," says James Rennalds, director of the photovoltaics divi-

Adult titles on CD-Rom

t the recent Comdex A computer trade snow Vegas, Michael Spindler, computer trade show in Las Apple Computer's chief executive, displayed a CD-Rom-based shopping catalogue which allows customers to change the colour of clothes on a model. At the same time, a new breed of companies was showing off CD-Rom titles that allow users to remove a model's clothes altogether. -

These companies attracted crowds as they demonstrated adult-orientated multimedia titles. Until now, most CD-Rom titles have been aimed at educational markets. "There is a lot of activity in

adult-theme titles," says Doug Millison, editor-in-chief of Morph's Outpost, a leading publication for outputs, a learning pulmication for multimedia developers. "Some people are saying that they could be the "killer application" that drives the CD-Rom market."

One company, New Machine Publishing, demonstrated a pre-release version of its "Dream Machine" title at Comdex. The Dream Machine is an interactive adventure in which the user navigates his way through a building. Behind various doors there are opportunities to interact with video images of actresses and experience different fantasies. "CD-Rom sales have taken off in the past year, and most of the buyers are men. We predict big demand for our titles and they will drive the market just like adult movies did for the VCR," says Larry Miller, marketing executive at New Machine Publishing

However, publishers of adult CD-Rom titles are finding it difficult to find distributors or to advertise their products. "I'm fed up with the consorship in this industry. We have first amendment rights in [the US] yet I constantly have to deal with editors who pull out my ads after they've accepted them," says Bill Kelly, president of PC CompoNet which publishes adult CD-Rom titles.

Kelly adds that he cannot find companies in the US to manufacture his CD-Roms and that he has had to go to Denmark. Adult CD-Rom publishers say they will also develop titles for women. They argue that their products provide a safe sexual outlet, a safe "virtual sex" experience during a time of concern over Alds.

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PEOPLE

Shell's Pink for Enterprise Oil | Energetic

Enterprise Oil, Britain's biggest independent oil com-pany, has underlined its ambi-tion to be regarded as a fully fledged oil company by recruiting Mike Pink, 55, director of production and development at the Shell group, as its first chief operating officer.

Pink, who has spent 30 years working mostly overseas for Shell, will join Enterprise next May after he retires from Shell. A geologist and petroleum engineer, Pink brings substan-tial technical and managerial experience to the company at a time when it is just about to become a big North Sea production operator.

Enterprise's early success was based on being a financial



partner in oil projects and the company is keen to be regarded in the City for its operational skills as well. Next year it will take on the opera-tion of the £1.1bn Nelson field development, one of the big-gest in the North Sea. Pink knows the field well: Shell has a stake in it and was responsible for the design and installa-tion of the facilities. The arrival of Pink, who will

be responsible for exploration, development and production activities and will be number two to chairman Graham Hearne, plugs an obvious gap in Enterprise's boardroom. Peter Kingston, a former Shell man who had been Enter-prise's technical managing director, resigned in July 1992, and finance director John Walmsley, responsible for many of Enterprise's major deals, is leaving at the end of

Stoddart to ioin BSG

The search by motor and aviation parts and distribution group BSG international for a permanent non-executive chairman appears to be over. Michael Stoddart, chairman

of Electra Investment Trust, the development capital group, is joining BSG as a non-executive director with a view to taking over the chairmanship from Astley Whitall, who retired as chairman of Ransomes earlier this year, some time before next October.

By the time Stoddart comes on board as chairman, chief executive Richard Marton, who himself only took over his current job in May, should be implementing the recommendations of a strategic review he set in train two months ago. The brief is to examine the

entire structure of the group and the markets in which it operates, and to come up with a corporate plan to be implemented from the start of 1994. Most of those markets have been badly hit by recession, not least the Continental car market into which BSG supplies components, and where

output is well down.

The divisional structure has already been reorganised with the three operating arms rearranged along regional lines. Marton, while reluctant to criticise directly his own longserving predecessor Tom Cannon, considers the review to be well overdue and the group itself to have lacked the leader ship which would have allowed it to restructure itself to adapt

■ Pat Barrett, chief executive of Smurfit's corrugated operations in the UK, has been officer of SMURFIT

finance director of BT's special businesses division, who has been a director of the Cellnet Group for two years, has been appointed acting md of CELLNET while a permanent incumbent is sought.

Stuart Graber, formerly md. of Time Warner International in London, has been appointed chief executive of MUSIC CHOICE EUROPE.

Malcolm Little who, in his time as md of Ross Young's, has been responsible for introducing many new products, has swapped jobs with John Gilliatt, the md who has cut production costs at McVitie's UK. Terry Stannard becomes md of KP UK in January on the resignation

of David Garman - all three companies are subsidiaries of UNITED BISCUITS, Robert Beveride, formerly financial controller for Mara Snackfoods Europe, has been appointed finance director of McVitie's Group; he succeeds John Bason who has transferred to Keebler Company. Richard Hill, vice-president human

resources at Campbell Foods Europe, joins as personnel director KP Foods Group from December on the retirement of Alan Jones. In the US, Jerry Baglien, previously vice president, finance and administration of Lamb-Western; has been appointed senior vice-president, finance and purchasing of Keebler. to changing markets.

Calverley quits Trafalgar House

Trafalgar House, the troubled conglomerate which is in the Continental Europe midst of a wide-ranging review Robert Warner, formerly of its businesses, is replacing the head of its loss-making property business. David Cal-verley, 52, chairman of the group's property division, will leave the group at the end of the year. Calvariey, who joined Trafalgar House in 1968, is the latest

member of the old guard to leave the company which was founded by Sir Nigel Broackes in 1956. A well known and popular figure in the property business, Calverley played an important part in expanding Trafalgar's property interests under Sir Eric Parker who stepped down as chief execu-tive last year.

However, the company has been hard hit by the recession and will shortly announce details of its third cash-raising exercise in two years to repair a balance sheet which has been damaged by large property

Hongkong Land, which has built up a stake of just under 26 per cent in the business over the past year, has been overhauling the Trafalgar House management team which helps explain Calverley's departure.

Calverley was on a threeyear contract but Trafalgar House says compensation for terminating his contract would be substantially less than he would have been paid over the next three years. His replacement is expected to come from outside the group.

Scotsmen

Ian Russell, director – financial control, at Tomkins, the conglomerate, is to become finance director of Scottish Power. He will thus fill a vacancy which has existed since January at the Glasgowbased company when Duncan Whyte moved up to become chief operating officer (electrictry supply) under ceo lan Pres-

Russell, 40, was born and sducated in Scotland, and was previously with Hongkong Bank Group in London and Hong Kong. He trained with accountants Thomson McLintock and later worked for Pen-tos and Mars. He will join the board of Scottish Power and take up his post in January. Though Scottish Power is said to have had difficulty attracting someone of sufficient stature for a company in

the FT-SE 100 who was willing to move to Scotland, (Tomkins is based in London) the absence of a finance director has not been a problem. A consuitant has been brought in to occupy that seat and Whyte has been near at hand. Changes are also taking

place a few hundred yards away at the Scottish Power's regulator, the Office of Elec-tricity Regulation in Scotland (OFFER). Here the youthful Graeme Sims, 30, is taking over as deputy director-general, reporting to Stephen Little-child, the director general of electricity supply who is based 🤼 in Birmingham.

In January, Sims will replace Peter Carter, who only took the job in January 1993, having moved from the Glasgow-based Offshore Supplies Office of the DTI, which supports the North Sea oil industry. Carter has become Littlechild's deputy dg in Birmingham.

Sims is currently economic adviser at OFFER in Glasgow. which he joined soon after it was set up in 1991. Before that he worked in a small business development agency in Glas-gow and for the Boston Consulting Group in London.

Michael Ambrose has been promoted to director, commercial affairs, of AMOCO (UK) Exploration Company. E John Higgins, previously head of Lasmo's Russian special projects department. has been appointed chief executive of EUROSOV - PETROLEUM.



BUSINESSES FOR SALE

GREEK EXPORTS S.A.

ANNOUNCEMENT OF A REPEAT PUBLIC AUCTION FOR THE HIGHEST BID

GREEK EXPORTS S.A., established in Athens (17 Panepistimion Street) and legally represented, in its capacity as Liquidator in accordance with article 46a of Law No. 1891/1990, supplemented by article 14 of Law No. 2000/1991 and following Decision No. 3089/1993 of the Athens Court of Anneal.

ANNOUNCES

a Public Auction for the Highest Bid with sealed, binding offers for the sale, in toto, of the assets of the societé anonyme named GENIKI PROMITHEFTIKI (KATASKEVAI) AE ELECTRICAL, TELECOMMUNICATIONS AND PLASTICS INDUSTRY, which is under special liquidation and application are applications. uidation and established at 25 Stournari St. in Athens and is engaged in the manufacture of low, medium and high voltage electrical equipall binds of all the contractures of the contracture of the contra

1. In order to take part in the auction, interested parties are invited to receive from the liquidator the Offering Memorandum as well as the form of the Letter of Guarantee required for the submission of a binding offer to the Athens notary public assigned to the public auction, Mrs. Andriani-Dimitra Becommopoulou-Zaphieiropoulou, 18 Voukourestion Street, 5th floor, tel. 361.8249 up to Thursday 16th December 1993 at 1900 hours. Bids must be submitted in person or by a legally authorised representative.

2. The bids will be unsealed before the above-mentioned notary public on Priday 17th December 1993 at 1100 hours with the Liquidator in attention dance. Those who have submitted bids within the prescribed time can also attend. Bids submitted beyond the prescribed time will not be accepted or taken into account

3. The sealed, binding offers must clearly state the price offered for the purchase, in toto, of the Company's assets and must be accompanied by a Letter of Guarantee from a bank legally operating in Greece, for the amount of eighty million drachmus (80,000,000 drs.) or its equivalent in

4. The Company's assets and all fixed and circulating constituent parts thereof, such as immovable and movable property, claims, mademarks, titles, rights, etc, are to be sold and transferred "as is, where is" and, more specifically, in their actual and legal condition and location on the date on which the sale contract is signed, regardless of whether the Company is operating or not.

The Liquidator, the Company and the creditor representing 51% of the total claims against the Company (Law 1892/90 article 46a para. I as in force), known hereafter as the Majority Creditors, shall bear no liability for any legal or actual defects or for any deficiency in the effects and rights for sale nor for the possible refusal of the State to approve, as required the transfer of elements of the assets, nor for their incomplete or faulty description in the Offering Memorandum and in any correspondence. In the event of inconsistencies, entries in the Company's books. as they stand on the date of signature of the sale contract, shall prevail.

6. Prospective buyers, hereinafter referred to as "Buyers", shall be obliged, on their own responsibility and due care, and by their own means and at their own expense, to inspect the object of the sale and form their own judgement and declare in their bids that they are fully aware of the actual and legal condition of the assets for sale. The Buyers are hereby reminded that, in accordance with the provisions of Law 1892/90, arrived the condition of the assets for sale. cle 46a, para. 4 as in force, having agreed in writing to maintain confidentiality, they are entitled to have access to any information they may equire concerning the Company for sale.

7. Bids should not contain terms which might prevaricate their bindingness or any vagueness concerning the offered price and its method of payment, or any other matter of importance to the sale. The Liquidator and the Majority Creditors have the right, at their incontestable discretion, to reject offers which contain terms and conditions, irrespective of whether these offers contain a higher price than that of other bidders.

8. In the event that the person to whom the auction is adjudicated, fails in his obligation to appear within twenty (20) days from being juvited to do so, and sign the relative contract and fails to abide by the other obligations accraing from the present announcement, then the above-mentioned guarantee of eighty million drachmas (80,000,000 drs.) is forfeited to the Liquidator in compensation for expenses of any kind, time spent, any actual or hypothetical loss asstained with no obligation on the Liquidator's part to furnish any specific proof or deem that the amount has been forfeited to him as a penalty clause and collect it from the guaranter bank.

Guarantees deposited by other bidders shall be returned to them after the Liquidator's evaluation report has been approved by the Majority Creditors and the highest bidder's guarantee shall be returned to him after he has paid the sale price and the act of sentement has been drawn up and signed.

9. The highest bidder is deemed the one whose offer has been judged by the Liquidator and approved by the Majority Creditors as being in their

10. The Liquidator shall not be liable to participants in the auction either with respect to the evaluation report or for his selection of the highest bidder and neither will be be liable to them for the cancellation of the auction in the event that its outcome is not approved by the Majority

11. Participants in the auction do not acquire any right, claim or demand from the present announcement or from their participation in the auction, against the Liquidator, for any cause or reason.

12. Transfer expenses of the assets for sale (taxes, stamp daty, notatial and mortgagor's fees, rights and other expenses for drawing up topographical diagrams as required by law 651/77, etc.) are to be borne by the Buyer.

For any information, interested parties can apply to:

GREEK EXPORTS S.A., 17 Panepistimiou Street (1st floor), Tel. 30 1 32 43 111 to 30 1 32 43 115

REPUBLIC OF POLAND MINISTRY OF PRIVATISATION

INVITATION TO NEGOTIATE

In accordance with Article 23 of the Law on Privatisation of State-owned Enterprises, The Minister of Privatisation, acting on behalf of the State Treasury of the Republic of Poland, is extending an invitation to interested parties to negotiate the acquisition of a minimum 10% of shares (and no more than 75% plus the shares remaining in the hands of the State Treasury after the sale of shares to the employees) of the State-owned compa-

> Fabryka Sprzetu i Narzedzi Górniczych (Factory of Mining Equipment and Tools) FASING S.A. in Katowice

Up to 20% of shares shall be offered for acquisition to company's employees on preferential terms and 5% of shares shall remain at the disposal of the State Treasury for compensation, if need be, for restitution of private

An information package will be made available to potential investors after their signing of the Confidentiality Agreement, which they shall receive the moment they submit a written statement expressing their interest in the acquisition of shares. The written statement and the necessary documents should be submitted by 5 p.m. on December 15, 1993 to the below mentioned representatives of the advising company, acting on behalf of the Ministry of Privatisation:

> Creditanstalt Financial Advisers S.A. LIM Center - Marriott Hotel 10th floor, suite 1019 A1. Jerozofimskie 65/79

A-1011 Vienna

00-697 Warszawa, Poland

Creditanstalt Investment Bank A.G. Dr. Karl-Lueger Ring 12

Fax.: (+48/2) 630 60 03

Tel.: (+48/2) 630 60 22, 630 60 55

Przemysław Krzywosz

Andrzej Werner

Stefan Krieglstein **Barton Sidles** Tel.: (+43/1) 531-84-0 Fax.: (+43/1) 532-9260

The Ministry of Privatisation reserves the right, at its sole discretion, to reject the offers, to renounce the negotiations, to invalidate or to prolong this invitation and to change the privatisation strategy with no legal or financial consequences.

For Sale 30-yr tease + business Freshold also available. BC Rea., ARELS. Well est, fully equipped, capacity 200 students. All

STATE PROPERTY AGENCY

INVITATION TO TENDER

-- On Behalf of the Owners' Consortium, CMS Management Consultants Ltd. Calls for a Single Stage Tender Procedure Concerning the Sale of the Shares of

Csepel Power Plant Co.

(H-1211 Budapest, Gyepsor u. 1.) Heb ning a majority stake

Caspel Power Plant was set up on July 1. 1991 as a legal successor of Caspel Works Power Plant and Service Joint Venture Co.

The shares in question are owned presently by 14 different companies

- registered capital HUF 1,594,270,000 General information: - owner's equity ('92) HUF 2,229,585,000 - employees ('92) 1,200 - sales revenues ('92) HUF 3,196,425,000

Caepel Power Plant Co. has over HUF 1 billion worth stakes in other businesses.

- Face value of the shares for sale

HUF 3,338,022,000 - total assets ('92)

HUF 1,241,980,000 units

Number (HUF 10,000 / share) - Represented stake in the equity

Bids may be made only for the whole offered package of shares.

The objective of the tender is to select a financially sound investor who, after the acquisition, is also willing to substantially raise the equity and hence implement the refurbishing of the power plant, keeping in mind environment protection aspects.

The tendering procedure shall take place according to the relevant atipulations of the Hungarian State Property Agency.

Criteria to tender:

- * Proof of the existence of cash required for the acquisition. · Full compliance with the tender submission specifications.
- Procurement of the detailed tender document and signing the confidentiality
- Proof of the payment of HUF 10 million or USD 100,000 forfeit.
- Assuming the validity binding clauses (90 days minimum) for the bid.

Bids shall be submitted:

CMS Management Consultants Ltd. (H-1024 Budapest, Rômer F. u. 18. telephone: (361) 1159-293, 1159-294, fax: (361) 1355-573) In writing, in Hungarian language, in 3 copies, marking the original, enclosed and sealed in an envelope, without mentioning the Bidder's name, noting only

January 20, 1994 from 9.00 s.m. till 12.00 noon

The bids shall be opened by a closed session, in the presence of a Notary Public on January 20. 1994 at 12.00 noon. Detailed tender materials and the information booklet on the Company shall be

made available through CMS Ltd. from November 29. 1993 on in Hungarian and English languages for HUF 30,000 + VAT cash

Further information shall be available: - Head of the Owner's Consortium: Béla Simon, General Director, telephone/fax: (361) 2768-534

- Head of the Csepel Power Plant Co.: Dr. József Jablonkai, General Director,

telephone/fax: (361) 2761-023 INVEST IN HUNGARY. • A SAFE EXPANSION

CARLIGHT TRAILERS LIMITED

The Administrative Receiver offers for sale the business and assets of Carlight Trailers Limited based in Sleaford, Lincolnshire. The Company is one of the premier manufacturers of quality caravans in the UK.

- * Turnover of £1.3m in the year to 3rd March 1993. * Prestigious name and reputation in the field.
- * Premises up to 14,600 square feet with appropriate lease available.

For further details, please contact the Administrative Receiver. A Tombinson FCA MSPI A H Tomlinson & Co.

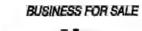
Barciny House, 35 Whitworth Street West, Manchester M1 5NG Tel: 061 228 7573 Fax: 061 236 6590

SOATSUILDING BUSINESS with fuctative ancillary lines in composites and moulding. including substantial freehold , outright sale around 52m or majority interest consid

Write Box B2062, Financial Times. The Southwark Bridge, London SE1 SHL

GENERAL AVIATION COMPANY FOR SALE on active London area (west) Airfield, Good lease, premises, air craft, hangar. Fature growth potential.

eals only, Box H2094, Figurated Time: London SEL 9EL



Ajax Packaging Ltd

The Joint Administrative Receivers offer for sale the business and assets of the above company as a going concern. Based in Lancashire, the company is a packaging distributor to the whole

Principal features include:

- Turnover approx £4.5 million pa ◆ Stock value estimated £200,000
- Established customer base throughout UK and Eins - including
- local authorities

Forfurther information, interested parties should contact Neil Geddes or David Whitehouse, quoting reference number M5155, at: Levy Gee & Partners Muxdov House

337/341 Chapel Street Manchester M3.5.IV Tel: 061-835 2843 Fax: 061-832 9405

Encap UK Limited

(In Receivership)

LEVY GEE

& PARTNERS

Livingston, West Lothian

The business and assets of Encap UK Limited are offered for sale as a going concern by its Receiver. Encap is the UK's first liquid two-piece capsule filling company. Modern, well equipped 14,000 ft² leasehold premises.

Pharmaceutical manufacturing licence.

Customers include leading pharmaceutical and

health and nutrition companies. 20 employees.

For further information contact: Sally Robinson on 031 557 9900 or at Encap on

0506 416881 (Fax number: 0506 416882).

Price Waterhouse

LEGAL MOTICES

No. 000072 of 177
In the High Court of Justice
Chancery Division
life Registers Beckley
PA THE MARTTER OF
THE JAEGER COMPANY LIMITED
and

IN THE MATTER OF THE COMPANIE ACT US

IN THE MATTER OF THE CONTROL CONTROL ACT 1966 NOTICE IS HEREBY GIVEN that a Petition was on the 12th October 1943 presented to Her Majanty's High Const of busines for the confinantion of the reduction of the state capital of the red Company by the state of £173,000,000. AND NOTICE IS FURTHER GIVEN that the stall Petition is directed to be benth before Mr. Registerir Boschley at the Royal Courts of Justice, Strand, London WCZ on Westeroidey the 15th day of December 1993. ANY Creditor to Shresholder of the said Company destring to appose the making of an Onter for the confinantion of the said reduction of share capital should appear at the same edition of share capital should appear at the time of hereby the fundament of the confinantion of the and Petition of share capital should appear at the time of hereby the state of hereby the state of the said control of the said control of the said Petition of share capital should appear at the time of hereby the state of the said the fundament of the regulated charge for the partie. for the same.
Dated this 26 day of November 1993
Chair Viyels (C.
26 Savde Row, Lamios, WIX 200)

CENTURY ABSURANCE COMPANY LYD.

THE COMPAPINE ACT USE

NOTICE IS MIGRERY GIVEN due the Order of
the High Court of Justice (Chancery Divisions)
dated [7th November 1993 confirming the reductions of capital of the above-spaced Company
from £10,000,000 to £100 and the Multice
approach by the Court showing with respect to
the capital of the Company in along the exvent
particulors required by the above-spanished Act
ware regulated by the Registers of Companies on
the 20th day of November 1913.

DATED the 28th day of November 1913.

Consense Care

London BC1N 21T Sobeing for the ab

All Adventument beology on accepted sub-to our custom Terms and Conditions, copies which on available by writing to Time. Adventument Production (Disease, The Financial Times, Our Southwale Bildge, London SEJ 648.

Touche Ross

John Hall & Son (Oldham) Ltd (In Members Voluntary Liquidation)

Iron Foundry - North West

The Liquidator, N. J. Dargan, offers for sale the long established business and assets of the above company.

- One of the few remaining foundries capable of producing castings up to 40 tonnes.
- Highly experienced craftsmen and supporting labour force.
- Blue Chip customers and few UK competitors. Freehold Land and Buildings comprising 3 acres of factor office space.
- Possible opportunity for redevelopment. For further information please contact Geoff Clure or Nick Dargan

Abbey House, 74 Mosley Street, Manchester M60 2AT. Tel: 061 228 3456. Fax: 061 236 0720.

at the address below

ed by the Invente of Chargest Accountants to England and Wales to carry us Inves

Wirral Instrumentation and Electrical Co. Limited

The Joint Administrators F W Taylor and T N Birch, offer for sale the business and assets of the above comprising:

Instrumentation and electrical contractors (members of the E.C.A.) Based on Merseyside with contracts in the Midlands and the North of England

Significant contracts in progress with established customers and new projects on hand

Turnover of £1.75m p.a.

Quality Assurance Standard BS 5750 Part 2

For further details contact FW Taylor, Ernst & Young, Silkhouse Court, Tithebam Street, Liverpool L2 2LE. Tel: 051-236 8214. Fav: 051-236 0258. **II ERNST& YOUNG**

By Order of the Liquidator
I'l Roper F.L.P.A. of T.I Roper and Co ARCHITECTURAL METALWORKERS Offers Sought for Order Book Trade Connections, Goodwill, etc

Contact Ref: GSM Edward Symmous & Partners Tel: 071, 407,8454 Fas: 071, 407,6423

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CANADIAN PACUFIC LIMITED TURE STOCK NEW BRITISHICS RAILWAY COMPANY
45 DESENTURE STOCK
CALGARY & STWONTON KARWAY
COMPANY 45 DESENTURE STOCK

In preparation for the payment of the half-year by laterest due Jamary 1 1994 on the above Stocks, the transfer books will be closed at 3.30 p.m. on December 3 1993 and will be re-Md on James y 4, 1994 D.R. KEAST



International Booksellers and Subscription Agents

Collets Holdings Ltd. (In Administration)

The Joint Administrators, P.A. Lawrence and C.G. Wiseman, offer for sale the business and

assets of the above named Company. For further details please contact Stephen Cork at Booth White, NEM House,

3-5 Rickmansworth Road, Watford, Herts. WD1 7HG.

Telephone (0923) 236622 Fax (0923) 245660

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What do these companies have in common?

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FT JAPAN CLUB ANNUAL REPORT SERVICE

Dance Ballet Rambert

The Rambert Dance Company is embarked on a regional tour with two works new to the repertory. I caught up with the company at the Apollo Theatre, Oxford - is there an auditorium with less leg-room for anyone who is not a pygmy? On the night after I ed seen London Contemporary Dance on grandest form, it was instructive to watch the other troupe involved in the convulsion in dance policy that currently concerns us.

It would be idle to pretend

that Rambert proposes the gleaming technical prowess which is so handsomely part of LCDT's identity. The company manner is able, honest, but in the two works I saw, the dance was fuzzy-edged and self-indulgent. The choreogra-phy - a new work by Mark Baldwin; a revival of Christopher Brace's Land - came bur-dened with more "meaning" than means. The dancing was

soggy with good intentions. Mark Baldwin's earlier choreographies told of an alert and off-beat sense of movement. Spirit is set to the Poulenc oboe and clarinet sonatas (excellently played), and it is sponsored by Glazo Laboratories in the hope of raising public awareness of the torments of migrains. Beyond the suspicion of a nagging headache brought on by watching nine of Rambert's dancers scamper about the stage to no clear purpose, the migraine connec-tion escaped me. The dance is somehow old-fashioned - it has that heavy-with-good-intentions air i associate with apprentice chorographies in the 1960s. The clothes are black and white and not wildly flattering, intermittent red and yellow curtains are the set. The Poulenc sonatas go their lyrical or witty way,

intouched by the dance. It is

all ferociously inconclusive.

Land is a fair example of Bruce's Week's Good Cause choreography. It was made for Festival Ballet in 1985. Its score is Arne Nordheim's elec-tronic agontsings about War-saw under the Nazis. Peasant outfits - no-colour Mitiel-Eurone dresses: waistcoats and puttees for the chaps - and folk-attitudes abound. Everyone has a hell of a time. Sgt.Death is on the rumpage. The cast suffer from advanced Kylianism – no day without a good bout of dance anguish and fail all too easily buto martyred poses. It looks like a par-ody of itself, and of a European cult of politically correct movement. Impossible to care if pieces like this are welldanced: what matters is that they are tremendously wellmeant. I would swap the lot for ten seconds from Twyla

Tharp or Mark Morris. Siobhan Davies' broad-spanning, spacious Renbarous completes the programme. I did not findthe company at the level of lean and uncompro-mising attainment which it showed under Richard Alston's guidance. If the Alstonshaped repertory was not always popular, it was as rigorous as the dancing. Yet the plan is that the troupe is to be expanded under Christopher Bruce and also developed along "neo-classic" lines, while retrenchment radically alters LCDT's function. We may draw what odd conclu-

Clement Crisp | such gratuitous crueity as to make Gra-ham Greene's Pinky seem like a benign



Concert/David Murray

'Polska' strikes gold

Obituary

Anthony

Burgess

cherub. The subsequent film of 1971 offered a role-model of gismour and win-

some charm for would-be thugs; it has

been banned for public performance in

Twenty years on from the Orange Bur-

gess gave us a novel Earthly Powers, colos-sal in conception, embracing in its literary

framework the supreme moments of mass

barbarism and bloodletting of 20th century

history, from Hitler's holocaust to the Rev-

erend Jones's Guvana. The central figure

encountering all this was an 80-year-old

popular novelist, a lapsed Catholic, who

had a tireless facility, a gift for parody and

word-play, and a well-tuned musical sense

- all of which he shared with his creator.

ambition when he graduated from Man-

Music was Burgess's great love and first

is a sense of barely suppressed fury and frustration; and yet the tense silhouette of the piece is elegant and cogent, collecting its 13 minutes into a single clean blow.

Annibale Carracci's 'The Hunchback Boy' at the British Museum

adio 3's "Polska" ses

son, an intensive cele-

bration of Polish

bration of Polish music, continues apace, and on Wednesday it struck gold. In the BBC's Maida Vale studies Matthias

Bamert conducted the BBC

Symphony in Szymanowski, Lutoslawski and young Hanna Kulenty. Inevitably, Szyma-nowski's gorgeous First Violin

Concerto made the despest

impression; but Bamert ensured that Kulenty's raw-

but shapely Trigon and Lutos-lawski's Second Symphony -

middle-period, experimental, rather dependent upon effects that were novel in 1967 - left

Kulenty fixes a sharp divi-sion of labour in the small

orchestra of her Trigon. While

the strings groan up and down

in perpetual glissandi, as in early Penderecki, machine-gun bursts of rapid, mechanical

even-motes pass intermittently

from brase to solo piano to per-

cussion and back again. There

er a writer staved in harness imtil

the end it was Anthony Burgess

whose death from cancer at the age of

. 76 was amounced yesterday. His eru-

dite reviews were appearing right up to his demise. In April His most recent novel,

A Dead Man in Deptiord, timed to coincide

with the 400th anniversary of the death of

Christopher Marlows. It was one of half-a-

dozen or so novels resurrecting a histori-

cal figure - Keats, Shakespeare, Mozart, Joyce, Moses - that formed but a part of

Burgess's vast output. He had the knack of identifying completely with a creative

genius of another age, bringing the indi-vidual convincingly back to life. The ch-

max was invariably a scene of horrendous

violence. The spectacle of Kit Marlowe, a

homosexual, a spy and a poet, stabbed to

death in a tavern brawl, simply played

It was not only the past that inspired

Burgess to depict violent outcomes but also the present and the future. In his

most famous work A Clockwork Orange

(1962) he showed how the new youth cul-

ture could throw up a juvenile monster of

into Burgess's hands.

their own vivid stamps.

When Lutoslawski wrote his Second Symphony, he was sure that tonality was a dead letter. Though his latest works have made their own kind of peace with the tonal tradition (he is 80 now), that symphony represents his most defiant earlier distancing. Its two movements, respectively hisitant and direct, are almost entirely "aleatoric". The role of the conductor is just to signal the starts and finishes of successive sections, in which players execute their overlapping parts in their own uncoordinated time.

Histoni is a long string of

rated by abrupt pauses; in "Direct" the orchestra pulls itself together, over a weird density of string-sound, to mmer out a distinctly baleful purpose. Back then, Lutoslawski was so intent upon keeping the "symphonic tradi-tion" at arm's-lengths that the music now seems riskily stretched for the time it takes, Yet the broad structure is tough enough to hold the ear. Szymanowski's first violin

concerto, composed after he escaped Bolshevik internment during the first world war, is a kind of one-off miracle. Someone wrote about the young Szymanowski that he "carries the death-dream of romanticism to the border of awakening". Not a Pseuds' Corner pungent episodes, each for a quote, but dead right: the trap-

you hear this siren-music singing in your head; there is really nothing much like it. r university, aiter a worku Catholic up-bringing. It was his ability to strom away on the plane in the mess that ensured his popularity when he joined the army during the second world war. He had operas performed and other compositions to his credit. The relationship between music and literature was the theme of his T.S. Eliot lectures delivered at the Uni-

Burness often told the story of how he became a writer by accident. He was recovering from what he was told was a mortal illness while working in Malaya as part of an educational unit of the British army. He started writing a novel as a therapy, found it terribly easy to do after composing and from then on he never stopped producing fiction. Some critics regard his early and more light-hearted novels, his Malayan trilogy and his Enderby novels as among his finest, most accessible work.

versity of Kent. James Joyce, another

musician novelist and lapsed Catholic was

Drawn to the Old Masters

Patricia Morison reviews the Chatsworth and Getty collections

were to offer me one wish. the response would be unhesitating. "Give me Annibale Carracci's drawing of "The Hunchback Boy". Out of so many lovely things in the exhibition Old Master Drawings From Chatsworth at the British Museum, the poignancy of that drawing tugs at the

Made in Bologna circa 1610, the younger Carracci's study is an example of the power drawings which witness particular moments in an artist's studio. The lad sat without his shirt, With short, sparing strokes of red chalk Annibale drew the deformed torso, the scrofulous skull showing through the thin hair. Yet it is the combination of the draughtsman's scientific detachment with humanity which is so wonderful. The boy turns towards us shadowed eyes which are eloquent of misery. The enigmatic words added by Annibale, "I do not know if God helps me", are surely his response to suffer-

One visit to the Print Gallery may well seem inadequate for an exhibition of this size and quality, with 220 drawings by artists such as Ghirlandaio, Leonardo, Raphael, Rosso Fiorentino, Pontormo, Durer, Van Dyck, Rembrandt and Corot. So make several.

This collection is the finest of its kind in private hands,

a level of crazy, intricate,

nowski's score is iridescently

evocative and original, the solo

E-string - searingly heartfelt

It is strange that this work is

not yet part of every major vio-

linist's kit. The drawbacks are

that it needs a very good, very large orchestra and a lot of

costly rehearsal time. Bamert

and his admirable soloist

Krzysztof Smietana must have

enjoyed that bonus, since all

the multiple facets of the

soundscape were radiantly clear and balanced. Smietana

full-blooded expression, beauti-

fully secure. For hours after

f the Duke of Devonshire apart from the royal collection marketplace. These sketches at Windsor. Kept at Chatsworth House in Derbyshire, most of it was bought between 1690 and 1729 by the 2nd Duke. Its notoriety has come from sales in recent years, although the collection still has some 2,000 works. The BM selection is the largest showing of Chatsworth drawings. There is a fully illustrated catalogue. based on the complete catalogue by Michael Jaffé now under way; volume one should be out next spring from Phaidon Press.

Leonardo's "Leda and the Swan" shows not the mating but the morning after. The swan peacably nibbles his lady's ear. Squirming unpleasantly on the ground, Leda's children hatch out of eggs. Castor, Pollux, Helen and Clytemnestra. A sheet of small grotesque heads by Leonardo makes a happy pair with Dur-er's caricature of a rubber-The Raphael drawings are

marvellous: three studies for the "The Transfiguration" and a ravishing sketch of a mother reading to a child. A sheet of chilling studies in red chalk by Andrea del Sarto reminds us that in Renaissance Italy, artists were enlisted to make the link between crime and punishment. After the slege of Florence in 1530, he was commissioned to paint six executed traitors on a wall in the shows the contorted body of a villain suspended by his foot.

A gem of a sketch is Rembrandt's "Actor in his Dressing-Room". It passes understanding that 30 years ago this could have been exhibited as St Augustine in his study. Here to the life is a flabby old actor, his jug-shaped body wrapped in a fur mantel, scanning his lines before he goes on stage. Rarities are the only drawing which survives from Bruegel's stay in Rome and Altdorfer's only design for a stained glass window: a magnificent drawing by Verouese commemorates the forging in 1571 of the Holy League against Suleiman the Magnificent.

For sheer inventive brilliance, nothing in the show surpasses Guercino's "Rest on the Flight", exhibited for the first time. Guercino has used ink wash so cleverly that the areas of white paper give the impression of blinding sunshine. A crenellated wall runs slap across the picture. Joseph leans on it, facing us, gazing pensively at a view we cannot see. Mary, a vigorous young woman, distracts the attention of her baby who is perched, rather carelessly, on the wall. Anyone with an weakness

for horses will appreciate a fine, quizzical beast by the young Van Dyck, a study for his "St Martin Dividing His Cloak". Rather harder to

Petro da Cortona's grandiose "Pope Urban VIII Being Carried Down the Nave of St Peter's". Surely they did not allow horses into St Peters? In fact, it seems they did, once a year when the king of Naples presented the pope with a chinea, hacanea in Spanish, from where we derive "hackney".

The Royal Academy's Draw-

ings from the J. Paul Getty Museum is the junior exhibition but is still well worth seeing, put together in the last 10 years and including 14 ex-Chatsworth works. With 100 drawines from the 15th to 20th cen turies, it is a question of breadth rather than depth.

Cuyp's smooth drawing of a milkmaid, framed by the cow's belly, is a particular delight. So is an unforgettable portrait by Rubens of a Korean gentleman swathed in silk as light as air. Spare a moment, too, for a puz-zle picture, "Two Male Nudes" by the late-16th century Haarlem Mannerist, Cornelis van Cornelisz. If you can decipher what precisely, apart from the prelude to sodomy, he intended

to convey, you will have gone one better than the Getty.

Drawings from Chatsworth, British Museum (071-636-1500) until Jan 9: Drawings from the J. Paul Getty Museum, Royal Academy (071-439-7438) until Jan 23. Sponsors, The Capital Group Companies and The Times.



Robert Lepage's cinematic view of Coriolanus at the Nottingham Playhouse

Coriolanus' from Quebec

bile Cortolanus always seemed to me one of the most played as if two-and-a-half English of Shakespeare's plays inches of E-string were all he had ever wanted for - about a public school boy with a dominating mother - it has a quite different tradition abroad. According to the Arden edition of the play, 15 versions of a piece called Civioian were written in France between 1625 and 1821. There same name, though none is based on Shakespeare. The Germans stuck more closely to the original and have produced about a dozen adaptations, including an unfinished piece

by Bertolt Brecht. Some productions have ended in tears. In Paris in the mid-1930s a performance at the Comédie Française led to such riots in the streets that the prime minister, Daladier, dismissed the director and replaced him with the chief of security. In West Germany after the war Cortolonus was banned altogether. The first postwar production did not

take place until 1983. So it comes as an anti-climax to report that there have been no riots in Nottingham where the Quebec version of Coriolan is appearing as part of the 30th anniversary of the Playhouse. It has been carefully chosen, Anthony Curtis for it was with a Tyrone Guth-

rie production of Coriolanus that the present Playhouse opened in December 1963. In the cast then were Michael Crawford, Leo McKern, John Neville and Ian McKellen. Robert Lepage's production

for his Theatre Repère company is a distinctive successor and a considerable coup for Nottingham. This is the only place where Corioian is being staged in Britain and it runs

Lepage is the director who gave us A Midsummer Night's Dream bogged down in a swamp at the Royal National Theatre. There are no such excesses here, but there are innovations. Although there is very little direct use of film. the play is produced as a movie, using cinematic techniques throughout.

The stage is dominated by a large rectangular frame. The characters appear behind it, as if it were a transparent screen. Quite often their heads are cut off from sight; at other times there are close-ups. Television is used as well. News of the wars is reported live. Jacques Languirand's outstanding Menenius appears as a genial old uniformed general giving his views on a television talks programme. The tribunes face up to Coriolan on an equivalent of Question Time. There

are copious surtitles and the

production is quite close to the original Shakespeare text.
As a spectacle, I enjoyed it

enormously, largely because it is so well done. The last thing one would like to see would be British companies going off in the Lepage direction and doing the same thing badly. Lepage is a master of his techniques. A final point is that Corio-

lamus really does seem a different play to non-British. more about political instability than a relationship between mother and son. Coloridge said that Coriolanus demonstrates the "wonderful philosophic impartiality of Shakespeare's politics". But perhaps you have to live in a quiet country to see the play in that way.

Meanwhile, for those in London, there is another production of Coriolanus by the Aquila company at the Place Theatre, Bloomsbury, ending on Saturday. This version catches all the excitement, but still seems to me more about people than politics. Whereas Coriolan Anne-Marie Cadieux's Volumnia has a touch of expensive continental chic, here Katharine Barker in the same role seems much more a matron. This is the Cor-

Malcoim Rutherford

INTERNATIONAL

FINLAND OPERA HOUSE OPENS

racy

After delays lasting several decades, Finland finally has its first purpose-built opera house. The building, situated near Finlandia Heli in Helsinki, will be formally inaugurated on Tuesday with the European premiere of Aulis Sallinen's opera Kullervo. The opening week also includes Carmen, the Bourneister production of Swan

Lake and a gala concert. Since 1919, the Finnish National Opera has occupied the Alexander Theatre, a cramped 500-seat auditorium built for the Russian garrison in 1879. It had poor acoustics and a stage too small for many works of the standard repertoire. There was talk of a new building as long ago as the 1920s, but it was not until 1975 that a competition was launched to design it. The winning architectural team was Ero Hyvāmāki, Jukka Karhunen and Tapio Perkinnen. Construction began in 1986.

The new opera house is a mixture of the traditional and the modern. The auditorium has 1350 seats in a horse-shoe design. There is also a studio theatre seating up to 500 people, to be used for rehearsals, educational workshops and experimental opers. The acoustics advi ser was Finnish

expert Alpo Halme. Kullervo, with Jorma Hynninen in the title role, will be conducted by Utf Söderblom, the Finnish National Opera's music director for the past 20 years. His or is Miguel Gomez-Martinez, who conducts Carmen (ticket reservations: tel 4000 2020 tex 4030 2305).

EXHIBITIONS GUIDE AMSTERDAM

Van Gogh Museum Georges de Feure: an exhibition marking the 50th anniversary of the Dutch artist's death, tracing his development from a newspaper Eustrator to a celebrated Symbolist painter and Art Nouveau designer. Ends Feb 13. Félix Bracquemond: 40 prints and several paintings by the Frenchman who played a prominent part in the late 19th century revival in decorative arts and printmaking. Ends Feb 13,

Rilksmuseum The Ottens Atlas: 80 maps and other topographical and historical prints, including a rare 1611 profile of Amsterdam, views of Antwerp and Brussels and a splendid coloured copy of De Vou's famous map of Rotterdam of 1694, Ends Jan 30. Glosed Mon BASLE

many countries.

Museum für Gegenwartskungt Joseph Beuys: four illustrated sketch-books from Projekt Westmensch 1958. Ends Jan 9. Closed Mon Kunstmuseum Matthaeus Merian: 400th anniversary exhibition of drawings by the Basie landscape artist. Ends Feb 13. Closed Mon

LAUSANNE Musée d'Art Contemporain Takis (b1925): retrospective of the self-taught Greek artist, featuring sculptures and installations which produce sounds, light and movement. Ends April 4. Daily Musée des Arta Decoratifs Contemporary Japanese Posters: 100 examples illustrating the more subtle style of oriental poster culture. Ends Jan 2. Closed Mon Fondation de l'Hermitage From the Museum's Collection: a thematic grouping of paintings and drawings by Sisley, Daumier, Bocion, Magritte and others. Ends

NEW YORK Metropolitan Museum of Art Art of Medieval Spain. Ends March 13. The Annenberg Collection of impressionist and Post-Impressionist Paintings. Ends mid-Dec. Master Drawings of the Hudson River School. Ends Dec 26, Closed Mon

Jan 30. Closed Mon

Guggenheim Museum Roy Lichtenstein, Ends Jan 16. Industrial Elecance: objects of everyday mechanical beauty selected by 63 architects and designers. Ends Jan 23. The main museum is closed on Thurs, the Sollo site on Tues

Museum of Modern Art Joan Miro. Ends Jan 11. Robert Ryman. Ends

his particular hero.

Louvre The newly-opened Richellau wing completes the largest part of a grandiose project to transform the former royal palace into the Grand Louvre, doubling the previous exhibition space. Generous with light and space it offers a dazzling setting for the collections of Islamic art, medieval art (including the Treasure from the Abbey of Saint-Denis), its Rembrandts and Rubenses, and French paintings from the 15th to 17th centuries. Three covered courtyards provide the most dramatic innovation: two display French sculpture under gigantic glass roofs, while the third is a reconstitution of two facades of the Assyrian palace of Khorsabad, with its monumental winged bulls. Be prepared to queue: 55,000 people turned up for the first oper day last weekend. Closed Tues (entry through Hall Napoleon under the Pyramid) Versailles Versaliles and the Royal Tables of Europe from the 17th

to 19th centuries. Ends Feb 27. Closed Mon Musée d'Orsay From Cézanne to Matisse: Masterworks from the Barnes Foundation. Ends Jan 2. Closed Mon, late opening Thurs (reservations: 4410 7300 or at Fnac

Palazzo dei Conservatori Rediscovering Pompel: the (BM-sponsored touring exhibition which opened in New York three

room, using detached frescose of flowers and birds which decorated one of the grandest villas of what must have been the Beverley Hills of the Roman Empire. Ends Feb 12. Daily Gatteria Giutia Lithographs by Max Beckmann and George Grosz: among the works included are Grosz's 1920s cycle Gott Mit Nune and the later Ecce Homo series. Ends Dec 7. Closed Sun and Mon (Vla Giulia 148) Calcografia Antonio Canova and Engraving: new light is thrown on the Venetian sculptor, showing the immense importance he attached to the quality of the numerous engravings made of his sculptures, and his awareness of their value for publicity purposes. The exhibition consists of 100 engravings from the museum's own collection, as well as a bronze Medusa from Bassano di Grappa, and two oils, showing Canova to be little more than a dilettante in this medium. Ends Jan 6. Daily (Via della Stamperia 6) insectarium A spectacular exhibition, organised by the WWF, the Natural History Museum in London and the Zoology department at Rome University. describing how insects have

evolved over the last few million

conventional illustrations are eight

years. Among the exquisite

insect robots 600 times their

of Japan. Ends Feb 13. Daily

fintersection Viale Cristoforo

life-size constructed by Kokoro

years ago has since been making

It brings together over 200 objects, many from recent excavations, and

Includes the re-creation of an entire

its way round European capitals.

Colombo with Viale delle Accademie)

ROTTERDAM Museum Boymans-van Beuningen Italian Paintings 1300-1500: 26 paintings by early Italian artists from Bologna, Florence, Slena and other towns in northern and central Italy, complemented by a wide action of contemporary prints and drawings. Ends Feb 27, Closed

SPEYER

Historisches Museum der Pfalz Europe's first wine museum, built in 1910, has re-opened with 150 artefacts tracing the history of wine-making back to Roman times. Also Rare Mechanical Toys: steam engines, trains and other collectors' pieces from private collections. Ends Feb 27. Daily

Albertina French Drawings from

Clouet to Brun: 150 works from the Albertina's collection of 16th and 17th century French drawings. Ends Jan 23. Daily Judisches Museum Jewish Vienna: a cultural history of Jews in the city. Ends May 15. Song of Songs: abstract paintings by avant-garde German artist Heinz Mack based on motifs from the Sono of Solomon. Ends Feb 13. Closed

KunstHaus Joan Miro: centenary exhibit of 120 sculptures by the Catalan painter. Ends Jan 24. Daily

WASHINGTON

National Gallery of Art The Age of the Baroque in Portugal. Ends Feb 6. John James Audubon: 90

watercolours painted by the early 19th century American naturalist-artist for his print series Birds of America. Ends Jan 2. Cesarinì Venus: Giambologna's marble masterpiece (c1583) is the

centrepoint of an exhibition

Jan 17. Daily Hirshhorn Museum Willem de Kooning: 50 works by the key abstract expressionist painter spanning the years 1939-85. Ends Jan 9. Daily

focusing on the female nude. Ends

Walters Art Gallery Artists of Ecouen. Ends Feb 6. Closed Mon Phillips Collection The Migration Series: 60 panels of Jacob Lawrence's epic painting of the post-World War One flight of African Americans from the rural south to industrial north. Ends Jan 9. Images of the American Scene in the 1930s and 40s; watercolours. drawings and lithographs from the permanent collection. complementing the Migration

pictures. Ends March 6. Daily ZURICH Kunsthaus Joseph Beuys:

retrospective of Germany's leading avant-garde artist of the postwar period, including sculpture, drawings and installations from public and private collections. Ends Feb 20. Closed Mon Museum Rietberg African Masters: masks and figures from Zaire, collected over the past 50 years by German ethnologist Hans Himmelbeer, supplemented by his own photographs of the people of Zaire and their art. Ends March 20. Closed Mon

fter storming onto the world's economic stage about 25 years A ago, the Organisation of Petroleum Exporting Countries this week bowed out, at least temporarily, of its increasingly taxing role as an influence on the short-term price of oil.

The decision on Wednesday night by the 12 delegations meeting in Vienna to brush aside market demands for an immediate cut in Opec's 24.52m barrel-a-day production ceiling may not herald the demise of the organisation. But it does move it into a new era in which the emphasis is likely to be on market share rather than on price. This is despite the fact that all Opec states. including Saudi Arabia, the dominant producer, are reeling from falling revenues.

The decision was a clear signal that Opec would not sacrifice volume for higher prices. It was also tantamount to an admission that in a period of plentiful supplies and weak demand in the main industrialised western countries. Opec could no longer fine-tune the price in a way which would be politically acceptable to its member governments.

"A small cut might not be enough to move the price. said one delegate, adding that such an outcome would be difficult for oil ministers to justify on their return home.

This means that market forces alone will dictate the short-term price, which they did with a vengeance yesterday, when the benchmark Brent blend fell to \$14.57 a barrel in late London trading.

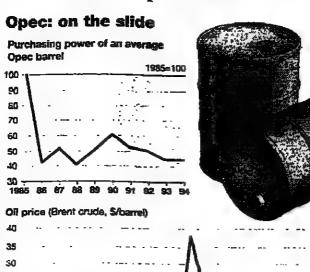
Opec officials said they had fully expected "the price to fall for a day or two", as the market digested their view that the longer-term outlook for balance between supply and demand were "not that bad". But Mr Mehdi Varzi, research director of Kleinwort Benson Securities in London, yesterday wondered "where the rot would stop". He saw many similarities between current market conditions and those which led to the oil price collapse in 1986, when prices fell below \$10

Not all industry observers shared such an apocalyptic view, but most agreed that Opec's 12 member states have put at risk billions of dollars in potential revenues in order to ensure that they maintain mar-

The alternative under discussion in Vienna - a modest cut of 2 per cent shared between all members - carried with it

Not so slick as the market

Robert Corzine detects a steep decline in Opec's influence



that of "cutting back and ceding market share to non-Opec competitors and not having the price recover", according to Mr Joseph Stanislaw, managing director of the independent Cambridge Energy

Research Associates in Paris. The "free ride" which non-Opec producers might be enjoying at the expense of the organisation has been a recurrent theme in official statements this week. The end of the conference communiqué noted that Opec alone should not "have to bear the burden of balancing supply and

But appeals for restraint on the part of independent producers are unlikely to be heeded. Opec is particularly vexed by a surge in North Sea production by the UK and Norway, whose combined output could rise by as much as 1m barrels a day in 1994, the equivalent of a medium-sized Opec prdoucer.

Some analysts say, however, that Opec's focus on independent producers merely serves an even higher political risk. to camouflage the deep distrust within the organisation itself. When they say that others might simply move in to take over their market share, they mean their own members. said one US-based oil industry

An Opec delegate confirmed that uncertainty over whether a cut would have resulted in full compliance was a factor in Wednesday's decision. "Some countries might not have abided by it," he said. "So a 500,000 barrel-a-day cut might have been only 200,000 or so in reality", a level unlikely to have any lasting impact on bearish market psychology.

Opec's chronic weakness of large-scale cheating on quotas by some members such as Iran and Nigeria meant that a lm parrel a day out was not put forward. One delegate conceded, however, that it would have had a positive effect on the markets. "No one was in favour of it." he said.

That left Opec with no other recourse than to stick to its September output agreement. which set quotas close to most members' capacity in order to

minimise cheating. That agreement appears to be holding. and the conference communinecessary time to achieve its goals".

It is a prospect which some experts say may be achievable. Dr Leonidas Drollas, chief economist at the London-based Centre for Global Energy Studies set up by Sheikh Yamani, former Saudi oil minister, believes an estimated quarterly demand for Opec off of 24.6m barrels a day in both the present period and in the first three months of 1994 is likely to match Opec output.

e predicts that a shortfall could emerge as early as the second quarter of 1994, when excess stocks built up earlier this year because of Opec over-produc-tion should be eliminated. And that, he says, would imply a \$16.60 price for Opec's basket of six crude oils well below its \$21 target price but well above the \$14.70 level recorded on

But many wonder whether Opec can wait that long or have full confidence in demand forecasts which have been consistently trimmed in recent months. Although all countries are suffering from what Mr Stanislaw describes as "revenue deprivation", not all are hurting to the same degree. Kuwait and the United Arab

Emirates, for example, differ markedly from beavily populated countries such as Nigeria and Iran, both of whose poorlyperforming domestic economies are propped up by hard currency oil revenues.

Mr Varzi says the political implications of low oil prices could come to dominate government thinking in such vulnerable countries in the months ahead, especially if lower revenues threaten to trigger off widespread social unrest. The scale of Opec's possible problem is highlighted by the fact that for every \$1 fall in the annualised oil price, member states lose a combined \$5bn in revenue.

Perhaps the only optimistic note which greeted oil ministers as they trooped into their limousines yesterday en route to the airport and home was the unseasonally early blanket of snow which covered Vienna and showed no signs of melting. No doubt thoughts from their mainly desert and tropical capitals will increasingly turn to hopes for a white and exceedingly cold Christmas in the northern hemi-

Joe Rogaly

It's make or break time



Tuesday will have little to do with the economy. It will be about political survival So do not search this space for mon-

ev-making or money-saving tips about what will be in the chancellor's package, let alone the likely market reaction to this tax or that spending cut. If I could divine these things I would not be here; I would be George Soros. Economic forecasting is impressive when its author makes billions out of it. The rest is guesswork.

Politics is another matter. We can safely assume that what Mr Kenneth Clarke has to say on Tuesday will, if he gets it hadly wrong, break the government. Getting it right may not save the present administration, but it would at least make political recovery possible. In short, the chancellor has direct responsibility for carrying out part "B" of Mr John Major's plan to regain his authority and stay prime min-ister. Part "A", has been to survive, by whatever means necessary, until the Budget. This has succeeded, albeit at the cost of some unpleasant tack-ing towards the hard-faced

Right The second part of the strategy will be revealed next week. Our Cheeky Chappie chancellor will try to look the part as he reads out familiar polysyllabic phrases whose real meaning will not be lost on anyone. He will talk about reducing the public sector borrowing requirement, and possibly even about rebalancing fiscal and monetary strategies. You can ignore all that. Concentrate on the overall performance. "We are not fools." his jargon will be saying. "The government is not incompetent," his elaborate analyses will imply. Many audiences - his own backbenches, economic analysts. the markets - will be expected to concur. The purpose will be to recover the Conservatives lost reputation for superior economic management. Mr Clarke knew when he took the job at the beginning of the summer that this would take

The same of the sa

some doing. Yet if the trick can be managed, both the chancellor and Mr Major will be on firmer ground. We are assured by a clutch of indicators that we can look forward to at least a year or so of steady growth and low inflation. If so, the Conservatives might begin to recover popular approval. It would be wrong to take Tory optimism too far, but perhaps

the party might . even unite in support of the government. Well, most of liamentary elections could in

iess awful than is currently anticipated. Mr Major, written off so often since Britain's election from the exchange rate mechanism. would be safer.

It is against this background that the pre-Budget arithmetic should be rehearsed. Mr Clarke has consistently intimated, in both public and private, that a deficit of £50bn is unacceptably high. Not everyone, least of all the National Institute of Economic and Social Research. goes along with this, but let us stick with the chancellor's known opinion. He has also maintained, without wavering, that the public spending ceilings agreed before he took the job are low enough - that there is little if any room for a squeeze on expenditure greater

than was envisaged by his predecessor. If these two Clarke propositions remain constant until next week, and if no sudden improvement in the PSBR is detected by a compliant Treasury computer, taxes must he increased.

At this point the government's nerve will be tested. If it fails to raise taxes by a convincing amount the economic competence argument will be lost, at least to those for whom "sound money" is an article of faith. If it does increase taxation the new imposts will be piled on top of the mountain of tax imposed by Mr Norman Lamont in the March Budget. The Conservative election campaign of April 1992, already exposed as bogus, would come

to be fixed in the public mind The chancellor is as the shamelessly mislead. responsible for ing undertaking the party any. carrying out part it was. In way. Its perfor 'B' of Major's plan March, within a carrying out part mance in next year's local and to regain his year of promising low taxes. European par-authority. Part 'A' Mr Major's gov. ernment imposed the has been to biggest single

> taxation anybody can recall. Pile on more agony next week and people may begin to ask a fatal question - if Tories, like Labour, devalue the currency and balloon up taxes, why not

elect Labour in the first place? The question would have less force if the Budget had been preceded by proper public debate. The necessity for this or that measure might then be more widely understood. The move to a "unified" tax and spending statement is merely a piece of camouflage. This year's spending negotiations were, as ever, Treasury-led. The new procedure introduced last year has not produced serious debate among colleagues about pricrities. It was designed to ensure collective

adverse report from company

by directors is such an impor-

tant contributory cause of cor-

Moreover, since misconduct

liquidators.

responsibility for cuts forced on departmental ministers Taxation is not directly related to spending plans, but to the Treasury's perception of what is needed to steer the economy, as smended by what is required to keep the government in office. The mai decisions are made in secret by a handful of manisters and offi-

Supposed moves towards open government are not to be taken seriously. Treasury ministers do nos appear un public ("ending gre-Budget purdih"). The governor of the Bank of England can decide when to announce the chancellor's deci sions. A committee of outside economists is "consulted" by Mr Clarke. These are gestures. They do not affect the substance of decision-making They do not allow for the additional wisdom that might accrue if the Budget was issued as a green paper in advance of the real thing. The chancellor is merely flashing an ankle, revealing nothing. The same principle, incidentally, is being applied to Britain's spies, whose existence, headquarters, and threetors have recently been named - without making us much the

In a rational world we would have seen the back of the Tories by now. In reality they have nothing to fear but a Labour party led by Mr John Smith Voters know that Labour stands for spending That is its attraction. Mr Smith says that closing tax "loop-holes" would bring in £10bn to the Treasury. This, he would have us believe, is not like the Conservatives' additional taxation. The government can punch aside such complicated and disingentions notions with our valide effort. When assess ing the Tories' chances of stay ing in office, and winning again, ask yourself this: which party is the better har?

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SEI 9HL Fax 071 873 5938. Letters transmitted should be clearly typed and not band written. Please se

Cooling off would avert tax problem

From Ms Kay Ingram.

Sir, Andrew Jack highlights the possibility that the chancellor will reduce or remove tax relief on pension contributions in the forthcoming Budet ("Planning to counter the budget crunch", November 20). He indicates that higher rate

tax payers should consider

making contributions before Budget day to safeguard higher rate relief currently available. However, his warning that any immediate action could result in the potential loss of higher levels of tax relief, assuming income tax rates go up and pension tax relief is untouched, is spurious. The cooling off requirements of the Financial Services Act mean

safely make a contribution. Should this prove not to have been the best course of action, they will be able to cool off and receive a full refund of their contributions within 14 days. Those likely to be affected by these possible changes should consult an independent financial adviser. divisional director,

From Mr R Hoegh-Johansen

Sir, It is widely accepted that

the credit boom of the 1980s

was due to financial deregula-

tion and over-optimism about

growth. It resulted in the pri-

vate sector incurring a high

level of debt and this has led to

We believe the private sec-

tor's priority is still to reduce

this debt burden because of

less optimisticeconomic out-

look and borrowing constraints

by a more cautious banking

sector. Consequently, cutting

anyone in this position can

Willis Corroon Financial 55 Gracechurch Street, London EC3V OBN

and Mr M Rubery.

the current recession.

Naming names if companies fail

From Mr Nigel Wilkins. Sir, There is little doubt that more directors of failed companies deserve to be disqualified for misconduct ("Insolvency service fails to speed up", November 17), and it is gratifying to learn that more resources are being devoted to

in the meantime, while this backlog of outstanding cases is being cleared up, the business community's interests would best be served if the insolvency Service actually published the

porate insolvency, greater resources also need to be voted to enforcing con law more generally. Sample achieving this objective. vetting of accounts submitted. to Companies House could play a key role in deterring much of the malpractice that persists. Nigel Wilkins,

9 Petersham House names of directors receiving an

Liquidity

From Mr D K D MacKerrell. Sir, I was most interested to read that Armenia had joined the Hebrides in adopting the dram as its unit of currency ("Armenia introduces own cur

rency", November 22).

Does this move herald a pan-European alliance to rival the Ecu, or will it be backed by commodities to form the Whisky Standard? D K D MacKerrell,

principal lecturer in account University of Greenwich, Woolwich Campus, Riverside House, Beresford Street. Wooknich, London SR18.6BU

will not result in an immediate

increase in investment or con-

sumption but rather will at

most bring closer the date when a desirable ratio of debt

to income has been restored.

Only then will we enjoy sus-

tained non-inflationary growth.

expecting a "quick fix" solution but instead look to main-

tain a consistent long-term

(Warwick University students),

monetary policy.

R Hoegh-Johansen,

132 Broomfield Road.

M Rubery,

Therefore, we ought not be

'Quick fix' not in best interests

No shortage of advice

Prom Mr T Gordon Buckeridae. Sir, Your comment ("Flatowner plan fails to attract funds", November 3) that without freely available advice take-up of the right of collective enfranchisement will be low is not supported by the

Housing minister Sir George Young's hope to have an advisory group financed and set up to help both landlords and tenants in this area to understand the terms of the act may have foundered, but there are many bodies and firms that have already published excellent guides apart from that published by his own department (some of which are free, some not) to enlighten those entitled to participate.

This federation has been giving free counselling to its members since 1971 in this field, from forming tenants associations to running a block of flats after purchase of the freehold. It will continue to do so long after any governmentinspired group is laid to rest. T Gordon Buckeridge, ciuliman,-

Rederation of Private Resider Associations, 11 Dorimouth Street,

Motorways need more service stations

From Miss Pop Pire. Sir, After so many tragedies recently on the roads, I feel I the severe lack of service stations on the motorways. There are none on the 3140. Being a student in Birmingham and living permanently in Sussex I

often drive home. The 160 mile journey is entirely devoid of services. The Department of Transport has brought it to our attention that "tiredness can kill" and that we should "take a break". The question as far as the M40 is concerned is: "Where." Recently, a mother travelling with her children in the back of the car was fined for stop-

ping on the hard shoulder for fear of falling asleep at the wheel. Her crime was that she had not broken down and was therefore illegally parked fromically, the idiot who changed his wheel in the outside lane was let off with a caution. Surely it has got to a stage where the government must react positively to these frequent incidents.

Many a time have I driven past a lorry that is weaving between the hard shoulder and the inside lane, the driver obviously dropping off. These HGV drivers are under a great deal of pressure to deliver on time. but there is only so much one can do to stay awake. Service stations could and should be included at the road planning stage. There is so much that needs to be done to lift the safety standard of roads but providing more service stations would be a step in the right direction.

I know my muther is not the only parent who worries more and more about the safety of her children on the mads. Miss Pip Pirie, 8 Daie Road, Selly Oak

- 475g

· 4.4

interest rates in the budget Earlsdon, Coventry CV 6LB London SW1H 9BL Birmingham B29 6AG Thorp market tested and offers jobs in high unemployment area

Sir, With 3,000 jobs on the line at the Thorp plant at Sellafield and many more at stake in contracting companies such as mine, the debate about whether the plant should open is absurd as Paul Leventhal suggests (Letters, November

However, he misses the point. Thorp is built. It has full order books and the customers put up their money in advance. The German and Japanese utilities have said again and again

mitments to the plant. What a series of long and detailed greater market test can there letters about Thorp (November be than that?

It is time that British industry was left alone to do the job it knows best: to lead the world in high technology; to make profits and be proud of the David Compston,

Allott & Lomax, Southwood House, 23 Buckingham Gate,

From Lord Inglewood MEP. that they stand by their com- Sir, You have just published

If this proposal proceeds it is an area of high unemployment

Not one word was devoted to the economic and employment consequences of this proposal for my constituents. I do think that any debate about Thorp must include a recognition of the economic importance of this project for those in the locality.

Clearly, human and environmental safety is the paramount consideration, but simply to will create in the order of 5,000 | nomic and employment implioverlook and ignore the ecucations on the west coast of Cumbria is to omit a very important and legitimate aspect of the debate. Those who do so debase their own arguments. inglewood,

Cumbria and Lancashire North. Hutton-in-the Forest. Penrith.

in the Ukraine, unable and Electricité de France, tota use

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL Tel: 071-873 3000 Telex: 922186 Fax: 071-407 5700 Friday November 26 1993

Mr Kohl loses his gamble

Under the wise post-war German of touch with the realities of his country's federal presidency is a post devoid of real contrast to his predecessor, Mr presidency is a post devoid of real political power. Mr Richard von Weizsäcker, the incumbent, has, however, shown that the German head of state can wield weighty influence within and beyond his country's borders.

Germany's complex struggle to come to terms with unification has increased both the potential authority of the office and the pit-falls into which it can stumble. After chancellor Helmut Kohl's mishandling of the issue of Mr von Weizsäcker's successor, the damage runs deep. The stature of the presidency will probably

recover. Mr Kohl's may not. Yesterday's decision by Mr Steffen Heitmann, the chancellor's choice as Mr von Weizsäcker's successor, to step down from the presidential race was an inevitable reaction to the hostility caused by his candidacy within and beyond the governing Christian Demo-cratic Union (CDU).

The tactlessness of Mr Heit-

mann's remarks during the summer on the holocaust or Germany's European role has sometimes been exaggerated. Yet he never looked likely to live up to Mr von Weizsäcker's standards. Mr Kohl's initial decision to back an untried east German was always risky. It has now been exposed as an ill-thought out gam-ble, laying the chancellor open to charges that, after 11 years in power, he is falling prey to hubris. After his 1989-90 reunification triumph, Mr Kohl has during the last few years started to look out

Helmut Schmidt, the chancellor's strength has been his pre-emi-nence in dealing with adversarial elements in his own party. His loss of sure-footedness as revealed in the Heitmann affair will further weaken an already unpopular CDU. Mr Kohl has earned his place in the history books. But, as he ponders next year's mammoth run of regional and national elections, he runs the risk of looking like a lame duck

No party can benefit from the last few months' spectacle of horse-trading of Germany's high-est political office. But the chances must have increased that the opposition Social Democrats (SPD) will take the presidency for only the second occasion in the history of the post-1949 republic. The party has now two respected candidates, Mr Johannes Rau and Mr Richard Schröder, the east German professor yesterday

endorsed by Mr Heitmann Mr Kohl's rationale in putting forward the Heitmann candidacy was to avoid formally endorsing a Social Democrat candidate. This would have undermined Mr Kohl's position by appearing to open up a path next year to a formal CDU-SPD Grand Coalition, under another leader. After the presidential dehacle, Mr Kohl's strategy has misfired. If a Grand Coalition starts to look the most likely outcome of next year's elections, Mr Kohl's position as party leader and chancellor could become

Welsh wizardry

Government policies for economic. regeneration in Wales are often hailed as a model which could be copied in England. Inward investment is one symbol of success: with just 5 per cent of the popula-tion, Wales has won around 20 per cent of jobs from investment into the UK in recent years. The unemployment rate in Wales - in the past higher than the UK average – is now slightly below the average.
Yet doubts persist about the substance behind the rhetoric of achievement. A study published this week by the Government Statistical Service questions the success of the Programme for the in 1988, pumped 2770m of public funds into the the south Wales valleys during its first five years. Yet manufacturing employment in the area fell by 11 per cent over the period, compared with a drop of 7 per cent across Wales. While there has been a small improvement in the unemployment rate, it

Wales as a whole. It may be that it is too soon to reach a judgment on what is inevi-tably a long-term process. The initiative has achieved a good record in land reclamation, with most derelict land now cleared. Considerable improvements have been made in infrastructure such as roads and industrial buildings. Without the additional 5,000 jobs in overseas-owned manufacturing plants created in the first five years of the initiative, the area would have fared much worse. Yet for all the flow of public money,

is only marginally greater then for

the economy of the valleys has done little better than the rest of

Wednesday's is the third official report in three years to raise doubte about government regeneration policies in Wales. In 1991. the National Audit Office criticised the government's failure to calculate accurately the returns on public investment in job-creation. In 347 projects approved in 1984-85, 16,745 jobs had been cre-ated, compared with a forecast of 25.715. While the aim was to use government funds to lever in between three and eight times as much in private investment, the NAO found that the figure was closer to 1.7 times.

More recently, there has been embarrassing criticism of the Welsh Development Agency, the government's economic regeneration arm in Wales. A Commons committee accused it of wasting public money on redundancy payments and an unsuccessful project to consider possible privatisation.

Economic regeneration undoubt-edly needs public funds if the private sector is to be attracted back into areas such as the Welsh valleys. But costs and benefits must be analysed openly and accurately to ensure that limited resources are deployed effectively. Lord Walker, the Welsh secretary between 1987 and 1990 who launched the Programme for the Valleys, would do well to remem-ber this in his new job as as chairman of English Partnerships, the government's urban regeneration

Tokyo's blues

The Japanese authorities have long enjoyed an enviable reputation for astute management of the world's most dynamic economy. They are losing their reputation, as the economy has lost its dynamism. Worse, they seem unwilling, or unable, to do anything

effective about it. Earlier this week Mr Yasushi Miemo, governor of the Bank of Japan, admitted that he could see no sign of recovery, though he doubted whether the recession would develop into a "worsening spiral". This is slight comfort. In any case, he insisted, the central bank had "taken all necessary steps in terms of monetary policy," after cutting its discount rate even times since July 1991. This

is an unpersuasive excuse. Even as he spoke, the ministry of international trade and industry disclosed that industrial production had dropped by 3.8 per cent year-on-year in the third quarter. Prospects for industrial output also remain poor, with inventories 1.1 per cent higher at the end of September than three months earlier and the monthly index of leading indicators in decline. Meanwhile, real household spending was down 1.7 per cent in the year to September.

With companies suffering declining demand at home and the burden of an appreciated yen, profits are inevitably depressed, as is the stock market, down 19 per cent since September. Economists share the gloom, disagreeing only over whether gross national product will stagnate or grow slightly stop it being asked.

next year, after stagnating or fall-

Unlike Germany, Japan seems to be in the grips of a true defla-tion: wholesale prices have been falling at an annual rate of around 3-4 per cent a year, while con-sumer prices are rising at about 1 per cent. In the Japanese case, there is no excuse for monetary stringency. Yet broad money has grown little since 1991. No wonder nominal gross domestic product expanded by a mere 0.2 per cent in the year to the second quarter of

Since the combination of expansionary fiscal packages with slow monetary growth tends to push up the exchange rate, monetary pol-icy must be loosened as well. If low interest rates have little effect, the Bank of Japan could inject money via aggressive open market operations. The authorities could also increase the responsiveness of bank lending to interest rate cuts, by helping accelerate the removal of bad debts from bank balance sheets. Meanwhile, radical deregulation including liberalisation of agricul-tural imports – should be sold as a way of dampening any inciplent inflation and creating new oppor-

tunities for growth. Why should an economy with no inflation, huge productive potential and an exceptionally strong fiscal position suffer persis tent stagnation? If the Japanese authorities cannot think of a really good answer to this ques-tion, they should try harder to

o far, so good. The smooth sale of the French govern-ment's stake in the chemicals group Rhône Poulenc of companies on its 21-strong priva-tisation list has been successfully dispatched from the public sector. As with Banque Nationale de Paris, which launched the govern-ment's FFr250hn (£28.47bn) privati-

sation programme last month, Rhône Poulenc was much in demand. The public share issue was three times over-subscribed. prompting the government to exercise a claw-back option from institutional investors, Mr Edmond Alphandéry, the economy minister, announced yesterday.

"We are off to a strong start," says an official at the economy ministry. He adds that the FFri3hn to he raised from the sale of Rhône Poulenc and FFr28bn from Banque Nationale de Paris will enable the government to reach its target of PFr40bn from privatisations this year. Over the next few weeks, the private sale of Banque Hervet, the small retail bank, should be com-pleted, adding about one billion francs to privatisation proceeds.

But this year's receipts pale alongside the whole programme, the largest sell-off in a wave of privatisations in Europe. The hig question facing the government and investors is whether the successes of Rhône Poulenc and BNP can be repeated as bigger, more complex or less attractive issues are led to the

Most observers are confident, at least for the next few issues. "I don't see the process becoming more difficult," says Mr Didier Cherpitel, managing director in Paris of JP Morgan, the US invest-ment bank. "The companies to come are well known and in appealingsectors." The government has also shown its willingness to sell its assets at attractive prices - shares in both BNP and Rhône Poulenc were offered at a discount of about

13 per cent to their market price. Next on the auction block will be Kif-Aquitaine, the oil company and France's largest industrial group. It is the final name on the list of four companies selected to launch the privatisation programme and will be sold early next year. The next phase in the sell-off has yet to be announced. But Union des Assurances de Paris, the country's largest insurer, is expected to be near the

Preparations for the sale of Elf and UAP are under way. Mr Edouard Balladur, the prime minister, has installed his own men to head the two groups - Mr Philippe Jaffre at Elf and Mr Jacques Friedmann at UAP. Like BNP and Rhône Poulenc, Elf is suffering from fall-ing profits – a result of depressed European markets and the weak off

Rush for Balladur's winter bargains

John Ridding examines the initial success of France's privatisation programme



price. Mr Jaffré predicts "mediocre" results of just over FFribn this year, against PFr6.2bn in 1992. But industry observers expect an adequate demand for shares in Elf. as profits are set to recover over the

At UAP, recovery is underway. After a sharp fall in profits last year, the insurance group announced a 15 per cent rise in net profits to FFr1.09bn in the first half. More importantly, Mr Friedmann's predecessor, Mr Jean Peyrelevade, resolved a long-standing dispute with Suez, the financial and indus-trial holding company. The agree-ment gives UAP control of Colonia, the German insurance group, and enables Mr Friedmann to

The further down the list of privatisation candidates the government moves, however, the more complex the sell-off process becomes. In some cases this is because of restructuring plans, in others because the candidates are loss-

The biggest restructuring is at Renault, which is attempting to merge with Volvo of Sweden. The government's decision to complete the merger before privatisation is logical. "You can't ask investors to buy shares before a big change in the shape of the group," says Mr Louis Schweitzer, Renault's chairman. But the merger is proving problematic. Swedish shareholders, concerned about the terms of the agreement, could sink the deal at a

vote on December 7. Renault, which has remained in profit throughout the downturn in the world car industry, could be sold with or without a successful merger with Volvo. Elsewhere, however, restructuring is likely to be a condition of privatisation. One example is Pechiney, the loss-making aluminium producer. To increase its attraction, Mr Gérard Longuet, the industry minister, is considering a classic case of what the French describe as "industrial meccano". This would involve an alliance between Pechiney and

low-cost supplier of hydro-electric-

Such strategic restructuring illustrates a paradox likely to appear in several privatisation Issues - the need for the state to intervene in some companies to prepare the ground for a loosening of state control. In the case of Pechiney it has prompted resistance from Electricité de France, the state-owned utility, which is understandably reluctant to lose one of its most profitable operations. But the interests of EDF's political masters are likely to overcome such protests.

Stronger opposition to the privatisation plans comes from union protests against rationalisation. Without job cuts, loss-making companies on the privatisation list - such as Bull, the computer manufacturer, Air France and Aérospatiale, the aerospace group - will find it difficult to return to profit.

With unemployment at 11.8 per cent and rising, the government is unwilling to risk social unrest by fuelling the ranks of the jobless.

which prompted the government to shelve an austerity plan at the air-line, sent a powerful signal that public sector industry should avoid involuntary redundancies.

of public sector industry line up for sale, such a constraint is limited. But the postponement of rationalis-ation measures at Air France and other loss-makers may make it difficult to privatise them within the

government's five-year timetable. If the supply of companies to be privatised may become more problematic after next year, what are the prospects for demand? The a lot of domestic liquidity," says Mr Cherpitel of J P Morgan, referring to the FFr1,300bn of savings held in Sicav money market funds.

These funds have been rendered less attractive as interest rates have fallen. Interest rates on three-month loans are now less than 7 per cent against more than 9 per cent late last year. In addition, there are savings committed to the government's Balladur bond, which raised FFr110bn when it was issued last verted into privatisation shares

nternational prospects are also encouraging. "The French programme should be US investors," says Mr David Boyle, managing director of Citi-bank in New York. He argues that France represents only 3 per cent of the European equities held by US investors and is, thus, underweight in most US portfolios. Both the BNP and Rhone Poulenc issues were oversubscribed by international institutional investors.

Whether potential demand is transformed into purchases will, however, depend on French economic prospects and the stock market's performance. "The major risk is that a longer, deeper than expected economic recession could renew equity market weakness in late 1993 and 1994," says Mr Jean-Francois Mercier, economist at Salomon Bros in London.

The government has struck an upbeat tone in this respect. "The economy seems to be on the right footing," said Mr Balladur last Sunday, promising further stimulatory sector economists are more cautious. They describe official forecasts of a 1.4 per cent increase in Gross National Product next year as optimistic, arguing recovery requires a fall in interest rates and a revival in consumer confidence.

Without lower borrowing costs the prospects for economic recovery performance of the stock market. In that case, France's grand public sector sell-off would find the going

Balkan crisis comes between friends



Europe as president, in January, there is a growing PERSONAL swareness that VIEW ously wrong in Europe-US relations. Trouble was in the air even

Free Trade Agreement victory, sig-nalled to Europe that the US would favour its Asian trading partners if the EU does not move far enough to make possible a deal on the General Agreement on Tariffs and Trade. Is there a Europe-US crisis in the making? Is trade the problem? The answer to the first question is maybe and to the second no. The real problem is the tragedy in the former Yugoslavia and the ques-tions it raises about who should do what in world peacekeeping.

There are trade disputes, but for now each side is doing what it could be expected to do - bargain.

The Balkan crisis is deeper

before President Clinton, strength-

ened by his recent North American

relations. Americans are seen in Burope as naive, seif-righteous and hectoring, or at least unrealistic when they seemingly preach to Europe about a problem that has no easy solution, no single villain and apparently nothing but political downside. At least in trade the EU can understand the US interest, but in the Balkans Americans seem like boy scouts. In fact, the US does have an essential interest in knowing its closest allies share a sense of

peacekeeping responsibilities.
The fall of the Soviet Union and end of a world dominated by two superpowers has ignited a debate within the US about its role in world peacekeeping. There is little consensus on when it is necessary to use force and who should do it. But many key US policymakers, especially in Congress, continue to believe the primary responsibility for the Balkans lies with Europe. However well-intentioned and skilful Lord Owen's efforts have been, including the most recent round to

Some in Europe have difficulty tory, they appear to lack two essential essen transatlantic ing: muscle and moral

As to muscle, there is intense resentment both on Capitol Hill and among some administration officials towards the perception that Europe will not or cannot use force where it must. Americans do not

There is resentment on Capitol Hill that Europe will not or cannot use force where it must

want to be the bouncers or bodyguards for other wealthy nations that sit comfortably indoors. Europeans have not forgotten the sting-ing comments of Senator Joseph Biden, the ranking Democrat on the foreign relations committee, a few months ago, to the effect that Americans were tired of Europe "holding our coats" while urging the US to do the fighting. On the lack of moral basis, the

less creature to act meaningfully to stop the carnage in Bosnia. It is not just Americans who have been critical. The Czech Republic's president, Vaclay Havel, said in his October 9 address to the general assembly of the Council of Europe: "The former Yugoslavia is the first great testing ground for Europe in the era that was initiated by the end of the cold war." Havel added that Europe's response is a failure on a scale with its failure to deal with Nazism and

The moral vacuum of Europe's actions - or non-actions - is underscored by the plan for a partial lifting of sanctions in exchange for more land for Bosnian Moslems. In itself, this is probably a good stop, and the US does seem so far to favour it. However, the problem is that it lacks any condemnation, let alone deterrence, for the unspeak-able acts of inhumanity that have transpired and will almost certainly continue. What if such trades succeed in calming the hostilities and

try to exchange sanctions for terri- Now York Times columnist, even providing relief from the winecause of its failure give? Kill, rape, torture, ma cent people, including the old and young, until it gets you no more then sit down and do business.

By accepting its responsibility to stop the atrocities, punish the guilty and restore what Havel referred to as "the values of a civic society based on the peaceful coexistence of different ethnic groups and cultures", Europe would prove itself a trusted and trustable ally with which the US can join to preserve world peace. This is not to say that Europe and North America must always agree on peacekeeping. the role of force and who must do what and where. But they must at least both be in the same game. willing to take similar risks to preserve common values.

Raymond S Calamaro

The author, a lawyer, heads the Brussels office of Winthrop, Stimson,

OBSERVER

Insuring your privacy

Should you receive an approach from Royal Bank of Scotland to buy your business, and you value your privacy, take the money in equity rather than yearly bonuses. This seems the moral of the story of Peter Wood and the Mottat

For the Moffats sold the A T Mays travel agents to Royal Bank around the time it was buying Wood's 25 per cent stake in Direct Line. Since then, Wood's ballooning compensation package has barely

The bank finally paid £24m to buy out Wood's bonus in an effort to protect itself from the fuss. He now holds £10m in Royal Bank shares, less than a third of the 1.5 per cent the Moffats have held all along in glorious obscurity.

User friendly

 Cable & Wireless seems to have a knack of acquiring the services of ministers formerly responsible for fts well-being. First, Lord Young becomes chairman of the privatised telecommunications group, hot-foot from the Department of Trade and Industry. Now Michael Manley, prime minister of Jamaica until last March, appears on its payroll as C&W's chief lobbyist with Cuba's

Once upon a time Jamaica's phone system was as decrepit as Cuba's and C&W mended it. So presumably Manley has been hired to tell Fidel what a good job it did. If the ploy works, it could turn out to provide a nice little number for other out-of-work politicians. Who knows, there could be a job for an ex-governor of Hong Kong, helping C&W's Hong Kong Telecom crack the Chinese market.

Up yours

■ Kenneth Clarke's verbal thuggery spreads abroad, notably in two recent bouts with Jacques Delors in which the Frenchman was treated to manners usually reserved for Britain's police and medics. Brussels folk are beginning to ask how Clarke got a reputation as one of the most pro-European. ministers. An obscure Euro-law on urban

waste water supposedly costing the British taxpayer £10hn caught the rough edge of Clarke's tongue - the only problem being that the British government had itself supported the directive in a unanimous vote. The chancellor was also pretty rude about the benefits of work-sharing, neglecting to acknowledge that Delors had distanced himself from that very principle.

A pained EC president wondered with winning and losing. He even offered to build a cricket pitch next

EVIL SCAPEGOAT

door so his Knglish friend could wield his brick-bats elsewhere. Why not exploit both men's sporting loves in a more constructive fashlon by arranging ground during the chancellor's next

Sugar 'n spice

Alan Sugar, chairman of Amstrad and Tottenham Hotspur. was in fine fettle yesterday as he fielded questions from 350 young business folk at a lunch given by the charity Jewish Care. Would be do anything differently if he could turn the clock back? Yeah, I wouldn't deal with solicitors." And what about the future, did he have some concrete aims? "Certainly ~ not to get any more solicitors' bills."

Bear necessity

It was with the best of intentions that the FT this week re-ran an ad for the Peacekeeper Bear, a fund-raising toy launched by John Major in May and dreamt up by the United Nations Association. Unfortunately, the 0891 number now hands out racing tips for the 2 o'clock at Huntingdon

The UNA, which has already sold 3,000 furry items, says it hopes the tips enrich potential donors. They and others should now place their order on 071 402-9029.

Keep your quango ■ Sounds like the government

might be having a spot of trouble finding a heavy-weight political figure to fill the chair of the Housing Corporation, the quango that distributes government grants to housing associations.

John Maples, highly regarded as economic secretary until he lost his seat in Lewisham at the 1992 general election, isn't interested. When I started this enforced sabbatical I decided to get a full-time job rather than lots of little ones. I am sticking to that."

says Maples, now running one of Saatchi & Saatchi's government

lobbying outfits.

Sir David Trippier, also evicted from Parliament last year, might seem a better bet. He has done two stints at the Department of the Environment, the Housing Corporation's paymaster, so knows the business well. He would be "flattered to be asked", but even if he were he says he would say No. He's enjoying himself too much as chairman of Tepnel Diagnostics, a bio-technology company.

Given that this month's Budget is likely to cut the grant of one of Britain's biggest quangos, the former MPs' disinclination is perhaps understandable. Looks like the government may have to developer after all.

Inscrutable

■ That organ of moral probity the magazine Women of China, usually packed with useful tips, the latest edition being no exception.
It carries one absorbing item.

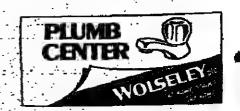
Seven Don'ts in Sexual Life, by Zhang Hude. It's all based on the idea that one's qi, or vital energy, can be affected adversely by engaging in amorous activities at

the wrong time. This includes when one is not in a good mood and when the weather is abnormal....



FINANCIAL TIMES

Friday November 26 1993



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Framework deal with union would reduce hours by 20% at six plants

VW in pact to cut work time

By Christopher Parkes in Frankfurt

Volkswagen and the IG Metall engineering union yesterday agreed a framework deal temporarlly to cut working times in VW's six German works by 20 per cent, but gave strikingly different views on how it would affect wages and costs.

Mr Jürgen Peters, the chief union negotiator, said the annual incomes of around 100,000 workers would be reduced by 10 per cent, while Mr Jochen Schumm, representing VW, said the pact would cut total personnel costs by almost 20 per cent or DMI.8bn

(\$1,06bm) a year. The draft pact, which still needs much work before final approval, according to VW offi-cials, will be presented to a meet-

Indonesia and

BAe agree

car project

Continued from Page 1

ing of the group's supervisory board in Wolfsburg this morning. Agreement was reached under

the shadow of threats from VW that 30,000 of the company's 100,000-plus German jobs would have to go unless cost-savings could be reached. The settlement on a basic 28.8 hour working week would apply "in principle" to all 105,000 employees, a spokes man said last night.

While union officials saw the deal as opening the way for widespread cuts in working hours the union movement's favoured way of spreading work and pre-venting lay-offs - economists and industrialists were sceptical. Mr Thorsten Newfeld of the Deutsche Bank said the package

would not lead to reductions in

unit labour costs necessary to

restore VW's competitiveness.

Adam Opel, VW's main rival, said it was not an appropriate starting point for restructuring the car industry.

Mr Ludwig Horatz, head of Hamburg components supplier Phoenix, said the deal had been made possible by VW's generous pay scales which, he claimed were at least 20 per cent above Audi, part of the VW group, where pay rates are already 10 per cent below those at the par-

ent, said it was examining the

Volkswagen's project is widely seen as an emergency stop gap measure to allow the deeply troubled company to avoid conflict with its labour force and its principal shareholder, the Social Democrat/Green party government of Lower Saxony.

Already committed to bailing out its Spanish subsidiary Seat with a DML5bn emergency cash injection, VW would be hard sed to finance 30,000 redundancies, according to critics of the scheme.

Details so far available include Details so far available include the withdrawal of a 3.5 per cent general pay increase, which took effect on November 1. Christmas bonuses, holiday payments and other perks are to be reduced and the halance will be distributed monthly instead of in one-off

The negotiators also agreed to bring forward a one hour cut to hours in the "normal" working week from October 1995, to next January without a reduction in the basic pay rate.

Exports boost, Page 3

Petrochemicals producers near deal on capacity cuts

but the company said yesterday that the ultimate aim was for the car to be completely manufactured in Indonesia.

Rover would not take any equity stake in the project, and the strategic industries agency would be responsible for the financing, said the UK carmaker.

Rover will head a group of five British companies developing the car jointly with the Indonesians, Including T&N, the engine com-ponents group; IAD, the automo-tive design and engineering consultancy; Mira, the automotive testing facility, and inchcape, the international trading and motor retailing group, which is one of the leading independent car importer/distributors in

indonesia's plan for an indigenous car industry follows the success of neighbouring Malaysia in developing a national car, the Proton Saga, based on technology from Mitsubishi Motors of Japan. South-east Asia is currently one of the world's fastest growing car By Peul Abrehams in London

Europe's petrochemicals industry is close to agreeing rationalisation plans aimed at reducing losses running at hundreds of millions of dollars a month.

The Association of Petrochemicals Producers in Europe said yesterday that its members had failed to agree plans to cut ethylene capacity by at least 1.5m tonnes a year. However, most petrochemicals groups were optimistic that the complex plan would be approved next month. The APPE is scheduled to meet

Chemical company shares responded favourably to the news, imperial Chemical Industries shares rose 45p to 719p. while shares in DSM of the Netherlands increased F14 to

It is understood 25 APPE members voted, with 20 in favour, three against and two abstentions. A unanimous vote is needed. Those hostile to the proposals, which involve setting up an industry fund worth about DM550m (\$325m) to help reduce capacity, are believed to be pro-

Chemical company shares rise on hopes for improved earnings

plexes. Some believe more capacity needs to be taken out than envisaged in the plan. During the early 1980s more than 4m tonnes was shut down.

Legal and technical details of the APPE plan also remain to be settled. Concerns have been expressed about verification and ensuring those shutting capacity do not build new plants for a set period. The European Commission would also have to approve any plan

The European industry is dogged by overcapacity. Next year it will have capacity to manulacture 19.34m tonnes of ethylene, the basic building block for plastics, against expected demand of 15.58m tonnes, according to Trichem consultants, London-based industry specialists. The company believes all European manufacturers of derivatives such as PVC and polyethyl-

ducers that have already shut cash costs this year, let alone plants and have efficient comcover depreciation.
Under the plan, companies would bid for industry financed

restructuring funds in exchange

for closing down capacity. Analysts were yesterday divided about the potential impact of the move. Mr Michael Stone, chemicals analyst at S.G. Warburg, said the proposals had a good chance of being accepted and could lift operating rates. "That should improve margins from the present loss situation to the profitability of, say, 1966 or

Others pointed out that the plan had yet to be agreed and would still require approval from competition authorities. They also pointed out that overcapa city was a worldwide problem and that Middle East and US petrochemicals manufacturers had a considerable cost advantage over European producers.

World stocks, section II

THE LEX COLUMN

Oil in troubled waters

The bind which ties Opec members is clearly beginning to hurt badly. On the one hand a shortage of revenue argues for a price increase, on the other Opec does not wish to be railroaded into ceding market share, only to risk prices remaining weak. That scent of blood in the water is all the excuse speculators need to push the crude price lower.

Yet the lack of response of the oil majors' share prices may tell the more accurate story. The imbalance between supply and demand is not very great and Opec may be right to suppose the market will tighten over the next few weeks. If a cut is genu-inely needed it is probably no more than the 2 per cent proposed at the meeting, and which could be agreed at an emergency session. In the slightly longer term the central expectation is that crude oil will move back into the \$16.\$18 a barrel range.

Temporary weakness in crude prices is in any case partly offset by a conse-quent gain in refining and marketing margins for companies with significant downstream interests. Perhaps more importantly, the market is concentrating on cost-cutting and the prospects for cyclical recovery. Retrenchment means Shell may well generate more cash this year with oil at \$16 than it did two years ago when crude was \$21 a barrel. BP's third quarter figures show that much of the benefit of cost reductions is being retained by the company. The risk to the rosy view of increasingly efficient companies approaching the turn in the world economy is that oil prices go down and stay down. If that happens the oil majors will be suffering alongside Opec and the explorers.

Direct Line

It is hard to begrudge Mr Peter Wood his millions, since he has built the UK's largest motor insurer from scratch. Unlike notorious growth stocks of the 1980s, Direct Line's success is based soundly on its position as the lowest cost producer in an otherwise sleepy market. Plans to expand in home insurance and the risky end of motor insurance make sense. Buyersare paying unnecessary expenses such as building societies' commissions on house structure policies. Low

costs should prove a big advantage. Insuring risky drivers is not a commodity business, so the decision to set up a new venture in this area also looks wise. Yet with decent computer systems it should be possible to keep

FT-SE Index: 3093.1 (+25.4) Royal Sank of Scotland Stare price relative to FT-A Indices (rebes

close tabs on claims. The US experience suggests good profits can be made in this area. With around 6m riskier motorists to aim at, and 15m insurance-buying households, the Direct Line formula has plenty of mile-

Royal Bank of Scotland has little incentive to demerge its progeny. Direct Line should be self-financing within 18 months. A high level of reinpurance cover reduces the risk of a hurricane blowing a hole in the bank's profits. With an expense ratio well below the competition - and falling as it pushes more business through exist-ing systems – Direct Line could follow prices lower through the underwriting cycle and still remain profitable. Applying a growth-stock multiple to this year's likely earnings results in a market valuation comfortably above £1hn. Even after yesterday's rally, Royal Bank shareholders should continue to feel the benefit.

BPB Industries

The ripple of excitement in building materials stocks caused by BPB's prof its resurgence will provide comfort for those who have bid up the sector by more than 90 per cent since sterling's devaluation. Throw in the latest base rate cut and encouraging building figures and it is even tempting to se scope for further outperformance. Yet in believing this, the market is over-looking some immediate worries. The threat of the chancellor putting the hobnailed hush puppy into social housing and local government spending should at least occasion some pause for thought.

There is also a danger of generalis-

ing from the particular. Several special factors have aided BPB. The plasterboard war, which devastated prices, has abated and margins are rebounding faster than they will in other sectors. Moreover, BPB has had greater opportunity to cut costs, given its history as a flabby monopoly pro-ducer. The 15 per cent rise in German plasterboard volumes confirms the strength of that market. Then again, the shares of RMC and Redland should

have already discounted as much. The big question for BPB will be whether it seeks to diversify in order to smooth its volatile earnings stream. The group's strong cash generation, which is rapidly eroding gearing, is creating the opportunity. But any such plans seem to have perished with the abrupt departure of the chief exec-

Volvo

It is just as well that Volvo has finally drummed up some significant shareholder support for its proposed merger with Renault. Independence is simply not an option for an automotive company with such a limited product range. Management's apparent victory, though, is largely tactical. The French clarification of the golden share issue and privatisation programme pulled the rug from under the fact of approximation. feet of opponents. Their visceral dis-like of ceding a national champion to

foreign control will remain.
Volvo, therefore, still needs to work hard at its investor relations, which have taken a knock from Mr Pehr Gyllenhammar's strong-willed style. Besides, a close alliance between the company and its owners will help defend Volvo's interests in the Renault deal. In the short run the French company's deteriorating profits will dilute Volvo's earnings. In the longer term Volvo must adapt to the awkward position of having no direct con-

froi over its largest asset.

Admittedly, Volvo will be the largest single shareholder in Renault-Volvo after privatisation and theoretically be able to exercise considerable influence. But the French side will dominate the executive, and the car industry is littered with examples of failed mergers. The best are those, like Peugeot-Citroen, which involve the maintenance of distinctive brands as well as just cost savings. Volvo must ensure that its brand is not devalued if the merger is to make sense. If not, it could be left with an indifferent investment of no strategic value.

Kohl and Major warn over

By Judy Dempsey in Bonn

warned that failure to reach agreement on the Uruguay Round of trade talks on December 15 would have "Intolerable" consequences for the developing world, perpetuating recession in western Europe and leading to protectionist measures by individual countries.

Mr John Major, the British prime minister, and Mr Helmut Rohl, the German chancellor, also issued grim warnings about the level of unemployment and uncompetitiveness in Europe. If European Union countries

solutions at next month's EU summit, both leaders said Europe would be unable to respond to the challenges posed by Asian economies. Speaking after the

one-day Anglo-German summit in Bonn, Mr Major and Mr Kohl said a trade agreement was "achievable". But without naming countries, Mr Major said several countries had to show more "flexibility" "Market access, agriculture,

FT WORLD WEATHER

and audio visual issues, which affect both the US and France are now the main stumbling blocks to a deal," a British official said, adding that Bonn and Loudon are "extremely worried about any failure. It will do nothing to stimlate our own economies

British officials confirmed that US president Bill Clinton telephoned Mr Major on Wednesday evening to discuss the trade talks. They said Mr Clinton wanted Britain to ask Bonn how far German officials would be prepared to put pressure on France into making compromises over the Urugusy Round. French. and German leaders meet next

Apart from Catt, which domi-nated the summit, British and German officials said EU countries would have to adopt greater flexibility and training scheme to increase competitiveness and create jobs. "By the year 2000, the output of Asia will exceed the output levels of the European munity countries combi

said Mr Major. The issue of unem and competitiveness will be the main agenda items during the European Union summit meeting early next month.

Both leaders also ruled out increasing public expenditure. Sound finance, low inflation and flexibility on the labour market, and reducing barriers to part time work" are the basis for growth," Mr Major said.

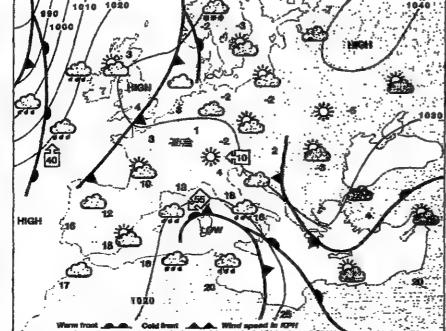
did not tackle, and come up with

Europe today Very cold air will cover most of the CIS and the Balkan States. The boundary between this arctic air and milder air to the west will remain almost stationary from northern Greece towards Finland, causing cloudy conditions

and outbreaks of snow, Mixed snow, sleet and rain will occur in western Norway. Central and western Europe will be fair except for persistent cloud and fog in some areas. Rain will cover an area from the west Mediterranean to most of Italy, Winds will freshen to gale force in the northern part of this region. Northern Italy will be sunny except for the Po valley where fog will persist during

Five-day forecast

Unsettled conditions will continue over the editerranean, but the heaviest rain will slowly shift south-east. A building ridge of high pressure near the Iberian peninsula will cause calm, sunny, but cool conditions. Wintry air will return to a large part of Europe as high pressure strengthens again over the continent, In this airmass fog will persist. Active frontal zones will stay mainly to the west of the Europe, but will spread cloud and rain to the western UK.



TOPAY'S TEMPERATURES

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S-ROYCE

POWER STATION CONTRACT WORTH 8660 MILLION WON

Three major power station projects in Junia with a total value of 2560 million were secured last week by the Rolls Revce Industrial Power Group. The orders all provide valuable manufacturing and project management worksfor Parsons Turbing Generalous

MAJOR ENGINE ORDERS FROM UPS AND BRITISH MIDEAND

United Parcel Service of the USA has selected BB211-535 engines to power their new Boeing 757 aircraft. The value of the business to Rolls-Royce is £93 million. In the UK, British Midland placed a £70 million order for Tay engines to power new Yorker 70 and Fokker 100 aircraft.

MoD PLACES £140 MILLION ORDER

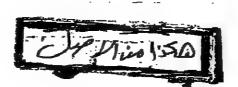
A £140 million contract from the Ministry of Defence for the next generation of bridging for the Arms has been won by Thompson Defence Projects - part of the Industrial Power Group. The sales potential of the bridging system is expected to be substantial.

INDUSTRIAL TRENT GAS TURBINE LAUNCHED

The industrial version of the Rolls-Royce Trent aero engine has been officially launched and a first customer announced. The Trent will be ased for land-based power generation and will have the highest efficiency of any industrial gas turbine in the world.



THE SYMBOT OF POWER



Ups and downs at Euro Disney

Euro Disney, the troubled leisure group, yesterday had another turbulent session on the stock market when its shares fell sharply by 12 per cent during the morning only to bounce back in the afternoon to close 3 per cent higher at the end of the day.

Australian bank to be sold The State Bank of New South Wales, Australia's largest regional bank, is to be put up for sale next month. Page 21

Battle of the giants
Two of Hollywood's largest film studios are locked
in a life and death struggle. Will it be the last
picture show for Paramount Pictures or for Warner

The CAC-40 index, which soared to record levels

during the summer and early autumn, has faltered on concern about the outcome of the Gatt negotiations, the Balladur government's cautious approach to cutting interest rates and the recent spate of Industrial unrest in France. Analysts believe there

is uncertainty about the prospects for the market, and investors are likely to remain nervous until the Gatt issue has been resolved. Back Page

Anderson stops up Ferranti pressure Mr Eugene Anderson, Ferranti International's chairman, stepped up pressure on the defence electronics group's shareholders urging them to be "realistic" and to accept GEC's 1p-a-share rescue bid. Mr Anderson said the Ferranti board believes that if the £11.4m GEC bid is rejected "the only practical alternative is receivership.

Mixed stock market response Celltech, the emerging bio-technology company, yesterday raised £50m in a placing of shares at 250p in the largest flotation this new UK sector

The shares of three newcomers to the stock market met with a mixed response in first-day dealings.

Hattlewood finishes its retec Haziewood Foods saw interim profits dip 5.7 per. cent to £23.8m. The shares fell 7p to 141p. Mr Peter Barr, chairman of the UK food group, said the refocusing of the group was largely complete.

Old Speckled Hen lifts brewer Morland, the Thames Valley-based brewer, trebled sales of Old Speckled Hen, its leading beer in a 20 per cent increase in profits. Mr Jasper Chitar-buck, chairman, said: "The results were achieved in the face of a particularly hostile environment both economically and climatically." Page 26

European Leisure warns investors European Leisure, the debt-laden discotheque restructuring with its banks. Mr Clive Bestin, chairman, said failure to obtain shareholder approval would jeopardise the ability of the com-

97 Michard Pussel

27 . Mercury World Mining

Merivale Moore

pany to continue trading. Page 27

Companies in this issue

Amber Industriel **BSG Internations** Bangkok Land Bank Leumi Ceter Allen Dai-Ichi Kengyo Benk Direct Line English & Overs

Moriand . . Millional Power Paramount Pictures Policy Portfolio Powell Duffryn Quadrametic SmithKline Beecham 12 South West Water 27 Stam Barri of NSW Starting Inde Swins Aviation Warnford Invis

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Chief price changes yesterday

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Japan's banks fall sharply on

By Robert Thomson in Tokyo

bad loan

burden

Japan's leading banks reported sharply lower profits yesterday as the level of problem loans continued to rise, forcing them to take the unusual step of writ-

The 11 leading commercial banks reported an average fall of 22.2 per cent in pre-tax profits for the aix months to September, while non-performing loans rose by an average of 9.6 per cent as property prices continued to

Dai-Ichi Kangyo Bank, the country's largest bank, suffered a 44.3 per cent fall in net profit, blaming the decline on loan write-offs of Y164.2hm (\$1.5hn). The Bank of Tokyo was the only bank to report an increase in net profit, partly a result of unusu-ally low earnings last year.

The banks lifted their provisions for losses, which have mostly arisen from reckless property-related landing during the late 1980s, and they sold bad loans to the Co-operative Credit Purchasing Company, established to speed up the

By the banks' reckoning, the level of non-performing loans ranges from 1.9 per cent of total loans at Mitsublah Bank to 5.30 per cent at Hokkaido Takushoku Rank. But the institutions use a narrow definition and generally do not count the loans of affili-

It is widely estimated that the actual non-performing loans fig-ure is around double the Y9,248.4m announced for the 11 banks yesterday. The write-offs, which totalled Y996.8hn, are a departure from Japanese banking traditions and follow pres-sure from the Bank of Japan, which feers that bad loans are restricting the banks' ability to end and slowing a recovery of

The banks have covered their loan losses through sales of equities, but the weakness of Tokyo stock prices over the past mouth raises the possibility that they on securities holdings over the second half to the end of March. Banks were confident yesterday that the worst of their bad loan troubles were over, but many of the institutions reported an increase in the proportion of property industry loans among total loans during the period. Commercial property prices are still falling in large Japanese

Ms Alicia Ogawa, financials specialist at Salomon Brothers, said the banks' ability and willingness to lend was still in doubt, as their business profits were under pressure and they would find it difficult to tackle problem loans over the next

"The finance ministry is giving the impression that nothing is wrong, and the banks are giving Securities trading cushions German bank from recession

Commerzbank rises 52%

Commerzbank, the smallest of Germany's big three banks, yesterday reported a 52 per cent rise in operating profits to DM909m in the 10 months to October.

The spectacular increase. driven largely by a near trebling of profits from securities trading, is likely to be followed by large increases in profits from other German banks as they report their figures over the next two

It is likely that 1993 will be another record year for the German banking sector, showing the extent to which Germany's banking sector has remained immune to the country's deep recession, in spite of mounting credit risks.

Mr Martin Rohlhaussen, the bank's chief executive, hinted that the profits performance would be reflected in a dividend increase exceeding what would be necessary to give shareholders the benefit of this year's lowering of corporate tax rates from 36 to

"We are fairly confident that this will be possible," Mr Kohl-haussen said, although no final decision had yet been taken. His remarks raise the possibil-

ity of a payout of DM12 per share, up from DM10 last year. A DM1 increase in the dividend would compensate for the tax change. He added that the bank would be holding a large capital raising issue "soon". He did not clarify

be raised, saying that the money was necessary to bring core capi-tal - the basis for future lending growth - from 4.6 to 5 per cent of total assets.

Earlier this year the bank held a DM500m equity rights issue and a DM800m issue of profits-sharing certificates with warrants

The increase in profits was in part because of a 21 per cent cut in provisions for had and doubtful debts to DM1.37bn, reflecting lower provisions against sovereign debt risks. The operating result also bene

fited from DM229m of "other income" which reflected in part income from property sales as well as income from leased equip-

Profits from securities trading soared from DM163m to DM475m, and buoyant fixed income, equity and derivatives markets also by 26 per cent to DM1.55bn, Profits on interest income from mainstream lending busi-

to DM3.89bn in spite of a modest 2.1 per cent increase in total lend-Commerzbank shares, which have outperformed the steeply rising German market by 15 per cent this year and count as the best-performing share among the big banks, rose only marginally yesterday against the trend of the market, closing 50 pfennigs



Richard Lapper reports on the growth of Direct Line insurance Next target: risky homes and drivers

The Royal Bank of Scotland, the owners of Direct Line, the UK's fastest growing insurer, yesterday issued a fresh challenge to the UK's traditional insurance market by announcing the launch of a new telephone-based insurance company for so-called non-standard risks".

The company will sell policies to motorists and householders who currently find it difficult or expensive to obtain cover, following steep increases in premiums.

Many drivers are poorly served'

From next year, it will aim to offer cheaper insurance to an estimated 6m motorists who are classified as higher risk because of their age, or because they drive fast cars or have poor claims records.

"We are not encouraging 17year-olds to drive Ferraris," explained Mr Peter Wood, who will be non-executive chairman of the joint venture. "But at the moment many drivers are poorly served and find it impossible to get affordable insurance. When they do find an insurer they are subject to arbitrary rate increases and poor service.

Launched in 1985, Direct Line now insures more than 1.25m of regarded as "standard risk". It performing loans are still rising.

It is time for a new approach by motor policyholders in the next the authorities," Ms Ogawa said.

12 months and is also stepping up aims to attract an additional 1m motor policyholders in the next

its sales effort in the household insurance market.

Direct Line already offers household insurance to 273,000 home-owners and is keen to eat into the market share of the large composite companies, which sell most of their policies through building societies. Mr Wood's company is critical of household policy commission rates of up to 30 per cent and recently pres-ented a complaint to the Office of

Analysts believe the new motor insurance company will add to the pressures faced by some UK insurance companies, who mainly rely on sales through retail brokers. They have lost market share to Direct Line, Churchill and other "direct writers". Which use a combination of mass media marketing and telephone sales to sell direct to the

Lloyd's syndicates and some smaller companies, which speci-alise in the "non-standard" market, could also be vulnerable. Mr Steven Bird, an analyst

with Smith New Court, said: the past the composites would have retreated to the non-standard market. They will now find Mr Wood lurking there. They have nowhere to hide."

Another analyst commented: They have already been knocked sideways by the growth market and had hoped to concentrate on the higher risk end of the market." A profitable non-

cialist underwriters, has emerged Before setting up its new ven-

ture, Direct line visited specialist companies such as Progressive of Cleveland, Ohio. One of the UK's composite insurers, Guardian Royal Exchange, owns two spe-cialist US subsidiaries - Globe Insurance and American Ambassador - which are expanding in some US regional markets. The new venture would "incor-

porate the hallmarks of Direct Line", said Mr Wood - direct telephone sales and slick back room allowed the company to reduce expenses to less than 50 per cent of those of its competitors and to offer premium rates between 5 and 15 per cent cheaper.

The new non-standard company will bring down rates, although its policies will generally offer less cover than in the standard market. "The idea is to bring affordable insurance to people who are priced out of the market at the moment," explained Ms Jane Dickson, company secretary of Direct Line. The marketing campaign is

likely to place more emphasis on newspapers, specialist motor and other publications, rather than on television adverts. And the new venture's telesales operators who underwrite policies with the help of sophisticated computer software - may need greater experience of the insurance industry.

achieve the same high "retention rates" as Direct Line, with more than four out of five policyholders choosing to renew their policies with the company each

"We will stimulate the market and make it more competitive. A better way of doing business is needed," says Mr Wood.

Strong demand for Rhône-**Poulenc**

The privatisation issue of Rhone-Poulenc, the French chemicals and pharmaceuticals group, attracted almost 3m indi-vidual investors and was about three times over-subscribed, Mr Edmond Alphandery, the economy minister, announced yester-

day. Mr Alphandéry said that the level of orders for the issue, the second in the government's privatisation campaign, demonstrated support for its plans to sell public sector companies and expand popular shareholding. The strong demand from indi-

French government will exercise a clawback option to reduce the tranche allocated to institutional investors. As a result, the num-ber of shares for individuals will be raised from 47.5m to

Individual investors will also see their allocations reduced below the 60 shares which was originally set as the maximum subscription. The government will announce today how many shares will be granted to individ-

The price for individual investors, which was determined through a book-building process, was set at FFr146 per share, compared with the public offer price of FFr135. Yesterday, Rhône-Poulenc shares closed at

Mr Alphandery said that the sale of the government's 43 per cent stake in Rhône-Poulenc had also seen strong demand from French and international institutional investors. Of the 26.9m shares to go to institutional investors, 36.25 per cent are for French companies, 19 per cent to US companies, and 8.5 per cent to Japanese institutional inves-

The privatisation of Rhône-Poulenc, the first industrial group to be sold as part of the government's plans to privatise 21-publicly owned groups, is the last big privatisation this year. Within the next month, Benque Hervet, a small retail bank, will be privatised through a private

The FFr13bn (\$2.2bn) which is expected to be raised from the sale, combined with the FFr28bn which was raised through the disposal of Banque Nationale de Paris last month, means that the government will achieve its target of FFr40bn from privatisation proceeds this year. Winter bargains, Page 17

APT215

Mining investment trust beats UK record for fund launch

By Kenneth Gooding, Mining Correspondent

Julian Baring, manager of one of the best performing gold funds, has hit the jackpot with his latest brainchild, the Mercury World

This investment company. which will put its money into a broad range of international mining and metals shares, has attracted £380m (\$566m) before expenses - making it the UK's biggest ever investment trust

It easily outpaces the £280m raised this month by Limit (the London Insurance Market Trust). a Lloyd's corporate capital fund, and the £246m launch of the M&G Income in 1991.

Mr Baring said yesterday that in the pre-placing by merchant bank SG Warburg and broker Cazenove some 173 institutions decided to buy shares in MWMT. which set out to raise a minimum of £50m.

While some big investors bid for £20m blocks, "a lot of people have given me a little". He suggested that many institutions missed having two substantial UK mining groups to invest in.
They were left with only RTZ Corporation after the Hanson

Jan 1993

conglomerate gobbled up Consolidated Gold Fields in 1989. According to Mr Baring, base metals prices are today in a similar position to the gold price a year ago - down in the dumps but ready to bounce back. Consequently, he says it is reasonable to assume that the new trust can make an 80 to 100 per cent return

over the next five years.

"I failed miserably," he said. Subsequently, as he predicted, the gold price perked up and his £150m Mercury Gold and General Fund now shows a rise of 267 per cent since the launch five years ego. Mr Baring insisted that MWMT, Mercury Asset Manage-ment's first serious move into investment trusts, would not suffer from an embarrassment of riches. He said that about \$1bn of international mining company shares were likely to be offered to

> 'We certainly won't throw our oney about in the mining markets to everybody else's advan-tage," he promised. Base metal prices may take

investors in the next few months.

time to recover and he intends that MWMT will initially be other commodities. "Gold shares are likely to behave better earlier and base metals shares should behave bet-

ter later," he says. Another £120m ordinary shares with warrants in MWMT are being offered to private investors at 100p each. There will be one

warrant for every five shares.

The minimum investment will A year ago Mr Baring toured many of the same institutions be £1,000 and the annual management charge L25 per cent. The

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GB Inti Hazlewood Foods Leveraged Opp Trust

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Lilliout

Market Statistics FT-A world indices Back Page

Bayer sees 20% reduction in profits to DM2.2bn

By Christopher Parkes In Leverkusen

Bayer, the leading German chemicals group, expects profits to fall by about 20 per cent this year to DM2.2bn (\$1.3m) and remain unchanged in 1994, according to Mr Manfred Schneider, chairman.

However, the company appears likely to hold its dividend, unlike its main domestic competitors, Hoechst and BASF, Mr Schneider hinted

Cost-cutting measures and strong growth in north America and Asia Pacific were slowing the profits decline as the year had advanced, Mr Schnei-der said in a review of the first nine months of the current year. The trend had continued into October, he added. Restructuring and workforce

cuts had generated savings of about DM750m so far this year. European sales had slumped 11 per cent, but similar proportional increases in Asia Pacific and the US had limited the decline in turnover to just 2.3 per cent. Pre-tax earnings in the review period were 19 per cent lower at DM1.8hm.

Mr Schneider attributed Bayer's relatively good figures - Hoechst and BASF recently reported nine-month falls of 40 and 44 per cent respectively. and hinted at dividend cuts to the group's successful

5 per cent in the review period to DM7bn in spite of a DM100m fall in domestic turnover attri-buted to health service reforms. Sales of Ciprobay and Adalat, the top-selling drugs, are expected to total about DM4bn this year.

Signalling further expension in healthcare, Mr Schneider said the group was close to a deal which would give it an entry into the US market for generic pharmaceuticals drugs on which patents have expired, and which are increasingly favoured because of their lower cost. Bayer had looked at five or six US companies. including Copley, the subject of an offer from Hoechst.

FNAC plunges to FFr31.9m

By Alice Rewethorn

Pressures on the French retail sector triggered a sharp fall in profits for FNAC, the dominant force in music and books retailing. In the year to August 31 net profits fell to FFr31.9m (\$5.5m) from FFr159.5m in the

previous year. FNAC has in recent months been clouded by the controversy over the decision by GMF, its troubled parent company, to sell its controlling stake to a consortium composed of Altus Finance, part of

UK insurance chief leaves bonus scheme

By John Gapper and Richard Lapper in London

Mr Peter Wood, the highest paid British company director, is to be given £24m (\$35.8m) to abandon a pay bonus scheme, which brought him \$18.2m this year and has proved an embarrassment to his employer Royal Bank of Scotland.

Mr Wood gained payments, totalling £42.2m, as chief executive of Direct Line, which has become the largest UK private motor insurer. Lex, Page 18; Details, Page 26

NEW ISSUE

the Crédit Lyonnais banking group, and Compagnie Immobilière Phénix, a property subsidiary of the Compagnie Générale des Eaux utility con-

The uncertainty over its ownership, coupled with the strains of France's economic recession, took a toll on FNAC

It faced the challenge of its first serious competitor in to the aggressive expansion in France of Virgin, the UK leiRichard Branson, FNAC mus tered an overall increase in turnover of 8.3 per cent to REES 9hp from PErs 2hn hut most of this growth came from Sales at its existing stores

rose by 0.3 per cent during the

ing profits by 14.3 per cent to FFr102.5m from FFr99.9m. But it was left with an exceptional ebit of FFr7/m having benefited from an exceptional credit of FFr107.8m in the previous sure company controlled Mr

BPB shares lifted by 60% gain at midway

By Andrew Taylor,

Shares in BPB Industries, Europe's biggest plasterboard manufacturer, rose sharply yesterday after it announced 60 per cent increase in pre-tax profits to £44m (\$65.6m) for the six months to the end of Sep-

The rise follows the end of a European price war between BPB, Lalarge-Coppée of France and Knauf of Germany. BPB's share price rose 4.5

per cent yesterday to 279p fol-lowing the announcement of

higher profits and a new round of price increases in the UK, France and Germany from the beginning of next year. Mr Alan Turner, BPB's chair-

man, said prices in its three main markets had risen on average by about 25 per cent since the first quarter of last Plasterboard prices were

planned to rise by up to 10 per cent from next year. This will still leave them below levels in the late 1990s. The price war cost the industry up to £200m a year in lost revenue Lex, Page 18

Further turbulence for shares in

By Alice Rausthorn in Park

Euro Disney

Euro Disney, the troubled leisure group, yesterday had another turbulent session on the stock market when its shares fell sharply by 13 per cent during the morning only to bounce back in the afternoon to close 8 per cent higher at the end of the day.

The shares, which on Wednesday plunged by 18.6 per cent to a record low of FFr27.2, were suspended several times in Paris when they breached their trading barrier to fall to a new low of FFr23.7 by lunchtime.

However, the shares then rebounded to FFr31 before finally closing at FFr29.4.
Analysts said investors started to buy Euro Disney shares to cover their short positions on the stock. The volume of trading was even heavier than on Wednesday with 5.3m Euro Disney shares, or 3.16 per cent of its total equity, changing

Until the afternoon rally Euro Disney's shares had fallen fairly steadily in the fortnight since the group disclosed an unexpectedly heavy net loss of FFr5.3bn (\$898m) for the year ended September.

The stock market had been expecting a smaller net loss of The impact of the loss

announcement has been aggra-vated by concern about the prospects for Euro Disney's emergency financial restruct uring.
Ruro Disney has been furced to ask Walt Disney, the US

entertainment group that owns 49 per cent of its shares, for financial support until it has completed the refinanc-The Disney camp last week opened negotiations with the 60 international banks that

own Ruro Disney's FFr20.5bn The recent pressure on Euro Disney's shares threatened to trap the company in a vicious cycle given that a lower share price would limit its capacity to raise capital in a rights

Volvo sailing close to the wind

Hugh Carnegy looks at the twists and turns in the Renault merger deal

months, but a dogged bat-tie by Volvo to fend off what at times appeared to be an unstoppable tide of opinion against the proposed merger of its car and truck operations with France's Renault finally began to pay off yesterday.
The decision by two of its

largest Swedish institutional shareholders to vote for the deal at a special shareholder's meeting on December 7 followed a period of non-stop behind-the-scenes lobbying. It included two long staten of further information for shareholders, intense nazotiations with the French government and, finally, a trip by private jet to Paris on Wednesday for shareholder representatives to meet Renault chiefs and Mr Gerard Longuet, the French

ndustry minister. Even after a press conference on Monday, when Volvo played its trump card of new French promises on Renault's privatiation and a virtual exemption from a subsequent state golden, share, the outlook remained at best uncertain.

On Wednesday, the Fifth Fund state pension fund said it would still vote against the deal. Directors of institutions continued privately to criticise the lack of detail they had been given on the valuation of the Renault and Volvo assets in the agreement. Yesterday, Svenska Dagbladet, the



respected conservative daily intention to privatise Renault newspaper which has been a by the end of 1994 and the leading critic of the merger, called again for it to be voted

Although the prospects for. Volvo now look better, the company is well aware how close to the wind it has sailed - illustrated by the eight-six split in the benchmark decision to support the deal by the board of the Fourth Fund state pension fund. Volvo's biggest Swedish shareholder.

Mr Per Löldquist, the head of investor relations at Volvo, acknowledged the narrow mar-He said what was decisive

was the assurances received

from Mr Edouard Balladur, the

French prime minister, on his

promise not to use a golden share to dilute Volvo's 35 per cent holding in the merged "When we talked to the vari-

ous stakeholders, privatisation and the golden share were the two dominating concerns and we have answered them. he said. However, even if Volvo now

achieves the solid majority in favour of the merger that looked in grave jeonardy, the shareholder revolt will continue to have repercussions for

: Privately, institutional shareholders are determined to play a less passive role than in the past, when they have tradiPehr Gyllenhammar, for 22 years the chief executive or chairman of Volvo, dominated the company, diversifying it beyond cars and trucks and ultimately building the contro-versial alliance with Renault. He intends to remain as nonexecutive chairman in the Volvo parent company from January 1, while taking on the job of chairman of the so-called supervisory board of the new

Rensult-Volvo. Many shareholders would like to see him hand over full control at Volvo to Mr Soren Gyll, the widely-respected chief executive. The Fourth Fund yesterday indicated that it wanted a bigger role for shareholders in nominating the

Volvo board. "I think it would be much better for Volvo if Soren Gyll took over. I don't like the idea of Gyllenhammar being chairman of both Volvo and the new

company," said one senior shareholder yesterday. Volvo officials acknowledged that the merger issue had caused much disquiet within the company, with the white collar unions and the civil engineers coming out strongly against the move under Renault's wing.
"If the shareholders vote yes,

we can't just sit back. It will cause damage it we don't have the employees with us as well," Volvo said.

MIM swaps zinc smelter interest

MIM Holdings, the Australian metals group, and Germany's Metallgesellschaft, which holds a 14.9 per cent stake in MIM, are negotiating to swap inter-ests in two loss-making Ger-man zinc smelters which they currently own on a joint basis. Under the restructuring

plan, MIM would acquire the 50 per cent interest which the German company holds in MHD "Berzelius" Duisburg. This would give the Australian group full ownership of the Duisburg operation, which also takes in Rhine-Zink, a downstream product-manufacturing operation. The capacity at the melter is around 100,000

Conversely, Metaligeselischaft would acquire MIM's 50 per cent interest in Ruhr-Zink, also achieving outright ownership. Capacity there is around

170,000 tonnes. As a further element in the package, the German group would buy from MIM a 25 per cent stake in Metallges Ltd, the London-based brokerage, lifting its stake to around 86 per cent. MIM would continue to own about 9 per cent and have board represen-

In Brisbane, MIM said that there might be some additional cash adjustment when the restructuring deal was finalised, hopefully by the and of 1993, but declined to give details at this stage.

unhappy at the losses being made at the smelters, and claimed that the deal "should improve the positions for both parties. The restructuring will mean that MIM acquires full ownership of a second Eurobean zinc smelter using the Imperial Smelting Process

(ISP), in a matter of months. Only a few weeks ago, the Australian company com the purchase of the Avonmouth sinc smelter from Pasminco, where it has since announced redundancies in an effort to boost cost-efficiency.

Although there has been talk of reducing zine smelter canacity in Europe, MIM made clear yesterday that it intends to operate both smelters.

French retailer considers TV home shopping 6

Pinault-Printemps, heavily indebted French retail group, may enter home shopping by launching a television shop-ping service through La Redoute, its mail order subsid-

iary, writes Alice Rawsthorn. Home shopping, which has in recent years been one of the fastest growing areas of retailing in the US, is still in its infancy in Europe. Mr Pierre Blayau, executive chairman of Pinault-Printemps, yesterday announced that La Redoute, a leader in the French mail order catalogue market, has set up a team to assess the potential for the market in France.



PENTA-OCEAN CONSTRUCTION CO., LTD.

¥20,000,000,000

1 1/4 per cent. Convertible Bonds 1999

convertible into shares of common stock of Penta-Ocean Construction Co., Ltd.

Issue Price 100 per cent.

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Fuji International Finance PLC

Nomura International

IBJ international pic Barclays de Zoete Wedd Limited

Merrill Lynch International Limited Swiss Bank Corporation

Bank of Tokyo Capital Markets Limited New Japan Securities Europe Limited Nippon Credit International Limited The Development Bank of Singapore Ltd

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Goldman Sachs International Limited

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Daiwa Europe Limited Nikko Europe Plc Baring Brothers & Co., Limited Robert Fleming & Co. Limited N M Rothschild and Smith New Court Standard Chartered Asia Limited Daito Securities Europe Limited

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U.S. \$129,000,000 U.S. \$90,000,000 8.5% Fixed Rate Notes (the "Fixed Rate Notes") due December 1995 U.S. \$30,000,000 Floating Flate Notes (the "Floating Rate Notes") due December 1995

Notice is hereby given to the holders of the outstanding Flood Rate Notes and Floating Rate Notes (collectively, the "Notes") that, on and with affect from November 12, 1993 (the "Effective Date"), Citibank (Luxemassect from November 12, 1993 (the "Effective Date"), Citibank (Lucembourg) S.A. will no longer act as Principal Paying Agent and Citibank, N.A., Loudon Beanch, will no longer act as Psying Agent and Citibank, N.A., Loudon Beanch, will no longer act as Psying Agent and Transier, Agent with respect to the Notes. On and with effectivo make Effective Date, The Yasuda Trust and Banking Company, Ltd., London Beanch, will be appointed as successor Principal Paying Agent and Transfer Agent with respect to the Notes; and Citibank (Lucembourg) S.A. will be appointed Paying Agent (and will continue to act as Transfer Agent) with respect to the Notes.

The address of the new Principal Paying Agent and Transfer Agent with respect to the Notes will be: asuda Trust and Banking Company Lid., London 1 Liverpool Street, London EC2M 7NH, England Telephone No. (71) 628-5721 Recsimile No. (71) 374-4893

Citibank (Lexembourg) S.A. on behalf of November 26, 1993



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NOTICE OF REDEMPTION U.S.\$250,000,000 Floating Rate Subordinated Capital Notes Due 1996

CITICORPO

NOTICE IS HEREBY GIVEN THAT Citicorp has elected to redeem on December 27, 1983 (the "Redemption Dele") all of the U.S.\$250,000,000 Guaranteed Floating Rate Subordinated Capital Notes Due August 23, 1995 issued by Citicorp Oversees Finance Corporation N.V. on August 23, 1984 that were assumed by Citicorp on March 12, 1987 and renamed the Floating Rate Subordinated Capital Notes Due 1996 (the "Notes"), at a redemption price, which will become due and psyable on the Redemption Date, equal to 100% of the principal amount of the Notes to be redeemed plus interest accused to, but not industing the Redemption Date, interest on the Notes will crease in account.

The Notes are to be redeemed at the main offices of Citibank, N.A. in Londo Peris, Frankfurt am Mein, Amspertam, Zurich and Brussels and at the mein office of Cribanic (Luxembourg) S.A. in Luxembourg. The Notes, together eth all interest coupons maturing subsequent to the Redemption Dete situated thereto, should be presented and surrendered at the offices set forth above on the Redemption Data.

forember 26, 1993, London ly: Cilibenk, N.A. (London) Paying Agent

NOTICE OF REDEMPTION U.S.\$250,000,000 Floating Rate Subordinated Capital Notes Due 1996 CITICORPO

NOTICE IS PERIEBY GIVEN THAT Citicorp has elected to redeam on December 27, 1993 (the "Redemption Date") all of the U.S.\$250,000,000 Gusranteed Routing Rate Subordinated Capital Notes Due September 19, 1996 issued by Citicorp Overseas Finance Corporation N.V. on September 19, 1996 issued by Citicorp Content of New York and renamed the Floating Pate Subordinated Capital Notes Due 1996 (the "Notes"), at a redemption often with with became due with Redemption plant. radiating have suboctomated Capital redset Due 1996 (the TW rademiption price, which will become due and payable on the Reden equal to 100% of the principal amount of the Notes to be rede starest accrued to, but not including, the Redemption Date. On and after ledemption Date, interest on the Notes will came to accrue.

The Notes are to be redeemed at the main offices of Citibenk, N.A. in London, Paris, Frankfurt am Main, Amsterdam, Zurich and Brussels and at the main office of Citibenk (Luxembourg) S.A. in Luxembourg. The Notes, together with all interest coupons maturing subsequent to the Redemption Date attached thereto, should be presented and surrandared at the offices set forth slove on the Redemption Date.

November 26, 1993, Landon By: Citibank, N.A. (London) Paying Agent

20th Nevember, 1993

CITIBANCO

NOTICE to the bolders of outstanding U.S. \$30,000,000 1% per cent. Convertible Bonds Due 2002

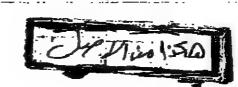


Goldstar Co., Ltd. (the "Bonds" and the "Company" respectively)

NOTICE IS HEREBY GIVEN to the holders of the Bonds that, all of the Bonds outstanding, amounting to U.S. \$535,000 as at the date of this nonce shall be redeemed by the Company on 31st December, 1993, at the price of 103 per cent of the principal amount together with accrued interest. The Conversion Price of the Bonds is W26,629 and the Closing Price of the company as of 13th November, 1993 is 19/18 2000. November, 1993 ts W18,900.

Goldstar Co., Lef.

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Citic buys 30% stake in Swire Aviation

By Simon Holberton . in Hong Kong

China's involvement in Hong Kong's aviation industry deepened yesterday with Citic Pacific's HK\$120m (US\$15m) acquisition of a 30 per cent stake in Swire

Swire Aviation is a whollyowned subsidiary of Swire Pacific and its main asset is a 30 per cent interest in Hong Kong Air Cargo Terminals (HACTL) - Hong Kong's air cargo monopoly based at Kal Tak airport.

Mr Peter Sutch, chairman of Swire Pacific, said the deal would strengthen the relationship between Swire and Citic

Citic Pacific, which also owns 12.5 per cent of Cathay Pacific, is controlled by China International Trust and Investment Corporation - an arm of the Chinese central government. It has also partnered Swire Pacific in property development in Hong Kong.

The Chinese government has used Citic to build up substantial interests in the "commanding heights" of Hong Kong's economy. In addition to its shareholding in Cathay it owns 20 per cent of Hongkong Tele-

It is the likely mainland Chinese candidate to invest in Hongkong Electric or China Light & Power, the colony's two electricity utilities - a move which is expected before Hong Kong reverts to Chinese

INTERNATIONAL COMPANIES AND FINANCE

Robert Thomson in Tokyo examines another set of miserable figures

When Japanese terday that the commercial b a r k s announced enother set of miserable prof-its yesterday

Banking and took the unusual step of writing off loan losses, the general intention was to convey the image of an industry that has admitted its weaknesses and is in the road

to recovery.

That impression was given by Sakura Bank, whose core banking profits slipped 37 9 per cent during the first liait. Sakura, aware that banks are blamed by the public for pump-ing up the fundicial bubble of the late 1980s; made clear its

"In the wake of the economic bubble, financial institutions have reconsidered their role in society and have reaffirmed their commitment to fulfilling higher expectations in regard to their social responsibilities and public duties," the bank humbly explained.

But the difficulty in regard-

ing this as a sign that the banks have weathered the worst of the bubble's consequences is that the depth of their bad loans remains unclear. Officially, problem loans rose by 9.6 per cent dur-ing the half to September, but the official measure hardly tells the full story of the banks' exposure to a still-weak prop-

erty market. The failure earlier this month of Muramoto Construction, which had outstanding debts of as much as Y590bn (\$5.51bn), indicated that the nasty surprises are not over. An executive at one Japanese financial company warned yes-

property market is in distress, and that the country could face collapses of companies and

confidence next year, There is still no accurate guide to the exposure of bank affiliates, which were aggressive lenders during the bubble days. In addition, as the Muramoto case shows, banks are maire of the exposure of some leading corporate clients, which may have guaranteed loans themselves or used the same piece of property collatthe six months from March. With the official discount rate at a record low of 1.75 per cent, there is little room for another interest rate cut over the next Another problem for the

banks is their old foe, the Tokyo stock market, which has faltered since the end of the first half in September, eroding the banks' unrealised gains on their vast equity holdings. To cover loan losses, the banks have been selling stocks. Dai-Ichi Kangyo, the largest Japa-

	TALE PAR	HESUL	.75, 19	93-94 (713f1)}
	Business profit	Change (%)	Net profit	Change (%)	Non-performing loans to total loans (%)
OKB.	123.7	8.0	16.2	-44.3	412
SALE	100.0	-37.9	17.A	: -87.7	- 4.05
Summorno	157.3	-10.6	31.3	-19.0	3.38
A	158.0	11.9	. 25.8	0.5	3.94
- Adjacolates	189.2	14.8	. 26.8	-17.8	1.00
Server	176.D	. ~-11.4	39.9	0.9	2.72
a Tolor	88.7	-14B.	.11.4	-153	4.30
Asphi	72.3	-6.3	10.1	-11.4	268
Dales	38.8	5.6	8.5	-14.7	3,06
Talcumin	17.3	-25.4	4,4	-27.3	5.39
Tokyo .	89.5	-18.1	30.1	29.0	3.03

Apart from coping with the ills of the property market, Japan's banks face a harsher trading environment over the next year. The favourable spreads created by the fall in interest rates over the past two years have shrunk, as was shown by the general 10.6 per cent decline in core business

profits announced yesterday. Sumitomo Bank, whose business profits fell by the industry average, explained that its overall spread slipped from 0.39 per cent to 0.31 per cent during

example, took profits of Y52.2hn during the period. But the fall in stock prices means that the banks may face losses on some of their equity portfolios, which would need to be written off at the end of the year. Bank stocks have been weak recently, which is another had sign, as the selling of bank stocks heralded a sharp fall in the market last

more sympathetic to the banks. The expectation of

Bad loans cloud banks' contrition Japanese telecoms group posts lower interest rates pushed bond prices higher, enabling small rise the banks to report large dealing profits. Sumitomo reported profits of Y9.6bn from bond

lealing, and Fuji Bank Y7.3bn.

The difficult conditions have

prompted the industry gener-

ally to reduce its exposure to

international markets. Reve-

ness fell by an average 14.4 per

cent, which was partly

explained by the yen's appreci-

ation, but there were falls of 42 per cent at Sakura and 27 per

cent at Hokkaido Takushoku

Doubts also remain over the

banks' willingness to lend to

companies other than their

core corporate clients. The

Bank of Japan, which has

encouraged the write-offs of

bad loans, has warned against the banks becoming too risk-

averse, slowing the flow of

loans needed to fuel economic

But the banks remain com-

mitted to the domestic prop-

erty market. Loans to the prop

erly industry at many of the leading 11 banks were steady

or rose during the period. Mit-

subishi Bank said there are

still "opportunities in the prop-

erty market" which are not

risky and a part of normal

The banks have also been

unable to cut their general and

administration expenses deeply enough to lift their profits.

These expenses rose at some

banks, even though the same

institutions claimed to be in

the middle of a cost-cutting

drive. This suggests that

branch closures and staff

reductions will be needed over

hanking hysiness.

By Emiko Terazono in Tokyo

DDI, one of Japan's new tions companies which are competing for market share against Nippon Telegraph and Telephone, saw a sharp rise in interim sales due to an jump in subscribers during the first six months to September.

Non-consolidated sales rose 19.5 per cent to Y132.6bn (\$1.22hn) while operating profits increased 7 per cent to Y18.7bn. However, the company, which went public in September, posted a marginal rise of 1.6 per cent in pre-tax profits to Y13.4bn due to list-

Revenues from telephone calls rose 13.7 per cent to Y100.2bn, while revenue from specialised services rose 15.4 per cent to Y2.4bn. Income from other related businesses rose 44.4 per cent to Y29.9bn. New subscription contracts totalled 2.2m during the first half, pushing outstanding contracts up 25 per cent to 11m. Costs in issuing new shares ahead of its listing totalled

YI.9hn. For the full year to March, DDI expects the price war against NTT to take its toll on earnings. The company cut its rates earlier this month following a similar move by NTT in October.

DDI forecasts its first fall in annual pre-tax profits since the company was established in 1984, due to an 18 per cent fall in revenue from telepho

State Bank of NSW to be sold off next month

By Nildri Tait in Sydner

The State Bank of New South Wales. Australia's largest regional bank, is to be put up for sale next month.

The state government announced yesterday that it would invite tenders for the ank in December and introduce legislation into parliament shortly enabling the sale to go ahead.

Forecasts for the sale proceeds vary widely. A NSW treasury estimate puts the figure between A\$400m and A\$700m (US\$266m-US\$465m), but at the upper end some analysts suggest that a figure of A\$900m to A\$1bn would not be unrealistic.

The NSW government said it was aiming for a trade sale, but specifically excluded the four big Australian banks from the bidding. "The sale will be limited to regional Australian banks. Australian non-bank financial institutions with the financial strength to make the acquisition, and foreign banks with an identified strategic interest in Australia," said Mr

John Fahey, state premier, The "preferred" terms of sale include provisions that the existing staffing and branch structure is retained; that the bank's headquarters remain in Sydney; and that the bank remains "a viable independent entity".

News of the auction comes less than a week after SBNSW announced a AS74.6m net loss

September, down from a profit of A\$25.4m in the previous

The 1992-93 figure, however, came after a A\$96m abnormal charge, and the bank was keen to stress that a pre-tax operating loss in the first half turned into a profit in the second six months. Charges for bad and doubtful debts fell to A\$140.4m from A\$152.4m, and Mr John O'Neill, managing director, behind us in terms of problem loans"

Like most state govern ments, New South Wales has been seeking to reduce its budget deficit and contain debt, but maintain expenditure on health and community services. Capital spending has been reined back, and the privatisation proceeds should ease financial pressures.

"The people of New South Wales do not benefit from owning a bank, as much as they would by re-investing the same money in core services of gov-ernment," argued My Peter Collins, state treasurer. However, Mr Bob Carr, the

NSW opposition leader, accused the government of the bank - which he claimed could be worth as much as A\$1.5bn - was being sold at "precisely the wrong time"

A number of potential bidders, including Advance Bank, St George Bank and GIO Australia, have made clear that they will at least review the

Israeli bank offering postponed until January

Israel yesterday said it would delay a public offering of 10 per cent of the shares in Bank Leumi, the country's second largest bank, after the flop earlier this week of a 10 per cent offering in Bank Haposiim.

The finance ministry said the offering, which was scheduled for next Monday, would be postponed until January but that the government was deter-

sale of leading banks. The move followed the failure of this week's sale of a 10 per cent tranche of Bank Hapoelim, which was massively undersubscribed after investors criticised the govern-ment for abolishing the maximum price on share issues, leaving out underwriters and not attaching options or

The government also said that only 53 per cent of the

mined to press ahead with the Haposlim shares had been sold, not 69 per cent as originally reported. The correction was made after it was revealed that a Shk900,000 (\$306,000) order for shares by General Bank had mistakenly been written down at Shk90m. The

> The government's decision to postpone the offer was also taken after Bank Leumi shares, which were sold earlier

announced.

issue raised Shk314m, not

Shk403m as originally

Stock Exchange to one point lower than the minimum price

of the government's offer.

Mr Aharon Foegel, directorgeneral of the finance ministry, said the government was determined to learn the lessons and press ahead with its bank privatisations. He said the market had shown that it wanted shares to be sold in a different manner with prior sale to institutional investors and attaching options or warrants.

Fletcher Challenge creates forest unit shares By Terry Hall in Wellington

Fletcher Challenge shareholders yesterday approved a proposal to create a separate class of forestry division shares for investors who may wish to focus their investments on the company's solid wood plantation activities in New

The approval means that the existing holdings of ordinary shares in Fletcher Challenge

ordinary shares held on December 10, shareholders will receive four new Fletcher Chal-

lenge ordinary division shares

and one forestry division share. In effect, the forestry share is being regarded as a Mr Hugh Fletcher, chief executive, told an extraordi-

eral meeting in Auckland that the the new forestry shares would provide flexibil-ity for those interested in a pure forestry investment, and had the potential to attract new investors who might not have the same interest in a Fletcher Challenge ordinary share.

Under the new structure the ordinary shares will encompass the operations of the group's pulp and paper, energy and building divisions.

In a separate development, Fletcher Challenge yesterday issued a prospectus for the sale of its New Zealand based shop-

the St Luke's Group. These centres are being sold as part of the company's drive to retire

The St Luke's flotation will be the second biggest ever, in New Zealand after the Telecom issue in 1990 The offer is for NZ\$345.6m

(US\$190m) in ordinary shares and notes, of which 12 per cent, or NZ\$42m, will be made available to New Zealand

These Bonds have been sold.

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SOCIETE GENERALE GROUP
15, Av. E. Reuter
LUXEMBOURG

EUROPEAN ECONOMIC COMMUNITY USD 200.000.000 11,50 % 1983/1995

We inform the bondholders that the redemption instalment of USD 20.000.000, nominal due on January 18, 1994, has been satisfied by a drawing on November 17, 1993, in Luxembourg. The numbers of such drawn bonds are as follows: in denomination USD 1.000 from 14.433 to 15.569 and from 17.970 to 19.232 in denomination USD 10.000 from 11.021 to 12.780 These bonds will be reimbursed at par on January 18, 1994, coupon due on January 18, 1995 attached, according to the modalities of payment on the bonds.

The following bonds previously called for redemption have not yet been presented for payment: Called for redemption on 18/01/89 : denomination of USD 1.000 : from 200 to 201 and 1793 Called for redemption on 18/01/89 : denomination of USD 10.000 : 109

Amount outstanding after January 18, 1994 : USD 20.000.000. THE PRINCIPAL PAYING AGENT SOGENAL GNOUP SOCIETE GENERALE PARIS 15, Avenue Emile Reuter - LUXEMBOURG

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RAND MINES LIMITED

RESULTS OF GENERAL MEETING SURRENDER OF REGISTERED SHARE CERTIFICATES FOR REPLACEMENT

At the general meeting of Rand Mines Limited ("Rand Mines") shareholders held on Tuesday, 23 November 1993 the special resolution for the sub-drivision of Rand Mines' ordinary shares was duly passed. The special resolution has been registered by the Registrar of Compenies in South Africa. Accordingly, with effect from the commencement of business on Monday, 29 November 1993, each of the issued and unissued ordinary shares of R1 each in Rand Mines will be sub-divided into 4 ordinary

shares of 25 cents each. Procedure to be followed by registered shareholders with regard to the sub-division

Registered shareholders of Rand Mines who have not already done so are requested to surrender their existing share certificates together with the surrender form (coloured green) exclosed with the Circular dated 28 October 1993, to the relevant address as indicated in the surrender form, as soon as possible, to enable the issue of new registered certificates in respect of the ordinary shares of 28 cents each regulator from the surrender form.

each resulting from the sub-division. Procedure to be followed by holders of share warrants to bearer with regard to the sub-division Holders of Rand Mines share warrants to bearer are requested to obtain a copy of the Circular dated

28 October 1993 from either of the following offices: Barclays Bank PLC 168 Fenchurch Street

Barclays Global Securities Services Ltd. P O Box 1043

Willow Grove House Windsor Road Trowbridge, Wiltshire BA14 OYT

and to surrender their share warrants to bearer for endorsement using the requisite surrender form (coloured pink) enclosed with the aforementment circular to the relevant address as indicated in the surrender form, as soon as possible, to enable the andorsement of the share warrants to bearer to reflect the sub-division. All share warrants received on or after Monday, 29 November 1993 will be processed and the share warrants, appropriately endorsed to reflect the sub-divided ordinary shares will be posted by insured registered post at the risk of the shareholders concerned, or made available for collection, within five days of receipt.

Warrant holders in France may surrender their existing share warrants, together with the surrender form (coloured pink) contained in the Circular dated 28 October 1993 to Rand Mines' Paris agents at

Barclays Bank PLC Guichet Titres 21 rue Lafine

However, warrant holders who surrender their existing share warrants to Rand Mines' Paris agents, will not have returned to them share warrants to bearer endorsed with the new number of ordinary shares, but will instead have the ordinary shares represented by their share warrants converted into registered shares which will reflect the new number of ordinary shares in accordance with the subdivision and such registered shares will be credited to them through their bank or broker affiliated to

SECOVAM is the French central depositary which provides book entry, direct payment and related services to customers of its affiliates, namely banks and brokers, who are holders of securities issued by domestic and overseas companies.

Stock Exchange Listings

26 November 1993

anneabura

The listings of the ordinary shares of 25 cents each, resulting from the sub-division, will commence on the Johannesburg Stock Exchange and the London Stock Exchange on Mooday, 29 November 1993. The existing certificates in respect of ordinary shares of RI each will not be good for delivery for transactions effected from the commencement of business on that date. Effect of the sub-division on the Rand Mines share price

In terms of the sub-division, with effect from Monday, 29 November 1993, each shareholder's holding of ordinary shares at the close of business on Friday, 26 November 1993 will increase by 4 times in number (eg. a holding of 100 ordinary shares of R1 each will become a holding of 400 ordinary shares

It can be expected that from the commencement of business on Monday, 29 November 1993, the market price of Rand Mines ordinary shares will adjust as a result of the sub-division to approximately one-quarter of the closing price on Friday, 28 November 1993.

Dispatch of new share certificates

Registered share certificates for the ordinary shares of 25 cents each, resulting from the sub-division, will be posted by first class mail on 29 November 1993 if surrendered certificates are received on or before 25 November 1993, or within 5 business days of received after 26 November 1993.

In respect of shareholders resident outside the Common Monetary Area and whose share certificates are restrictively endorsed in terms of the South African Exchange Control Regulations, the new certificates will be similarly restrictively endorsed.

mated in the Supublic of South Airtes) (Regastration number 01/100556/08)

United Kingdom Secretaries: Viaduct Corporate Services Limited 19 Charterhouse Street

Notice is hereby given that for the interest period 26 November 1993 to 26 May 1994 the notes will carry an interest rate of 5.875% per annum. Interest payable on 26 May 1994 will amount to US\$29.54 per US\$1,000 note and US\$295.38 per US\$10,000 note and US\$2,953.82 per US\$100,000 note. Agent: Morgan Guaranty Trust Company **JPMorgan**

Notice of Additional Events of Defacit and Report of July 16, 1993 Meeting of

Nutrholders

In our notice dated Juse 21, 1993, we, as Successor Tristere (the "Trister") nodes the Indentate (the "Indentare"), dotted as of December 23, 1985, of Olympia & York Maiden Lane Fanner Corp (the "Invest"), pursuant in which the Issuer's 10249 Secured Notes Due 1995 (the "Notes") were maned, and as magnee of the Morrague Spreader, Modification and Extension Agreement and Security Agreement and Assignment of Rents (the "Morrague"), dated as of December 23, 1935, between Olympia & York Marden Lane Company (the Owner") and the Issuer, notified your that Events of Default had occurred under the ladounter and under the Mortague, in our notice, we also informed you that we had scheduled a meeting of the Holders of the Holders of the Hones and their sutherized representatives on July 16, 1993 to allow Holders the apportunity to discuss the situation with each other, with representatives of the Instead on with the Pursue.

The morting was baid as achetulari, and was detained on the half of the Issuer and the Owner, by Mr. Patrick Ahers, restricturing advisor to Clympia & York (Cap. Senor Ver President of Ode V. and Joshua Merapetates. Eng. patters in the law form Fried Frank, Meron. Server & Beroberon from Fried Frank, Meron. Server & Beroberon

Mr. David King, Senov Vice President of O&Y. and Joshua Mermelaten, Esc., pastner as the low-firm Fried, Frank. Harrs, Shriver & Jacobson. counted to O&Y, and by the Holders and beneficial sweezes of approximately 49°F of the Notes. The meeting was held as two parts. Durange the first part, Meerss. Ahers and King discounts the first part. Meerss. Ahers and King discounts in the Indeamer and the examents: prospects for 59° Manders Lame title "Building", the building accuraing the Notes. Mr. Ahers vished that, purvanent to Section 6.12 of the Indeature, the Issuer may be required to deliver to the Transtee by you lates that

Me. Albers vasted that, pursuant to Section A12 of the laberate, the Issuer may be required to deliver to the Trantee by so later than December 31, 1993 over \$3-80 million in Liquid Assets Collisteral, than the laser does not expect to meet this Individuce requirement, and that, accordingly, the Issuer engages the Holders to form a consumintee to negotiate a restrictioning of the Notes. The proposed general terms of a restructioning are set forth at the Issuer requirement, and that, the Notes are conclusion of the theisenry present at the conclusion of the theisenry present and the projected reveauce and expenses of the Beilding for the next few years. The Issuer distributed copies of statements of each flow for the 11 years ended December 31, 1992, and 1992, together with copies of the Building Method (1992, together with copies of the Building Method (1992, together with copies of the Building Schedule, Mearst, Albert and King responded to questions peaced by the Holders.

After the first pain of the meeting, the Issuer and discussive measured mong the Holders Anong the Holders and successive measured mong the Holders Anong the Holders and Schedule, Mearst, Albert method of Deckstone & Co.

L.P. ("Dockstein"), and their countries. Peter Borewate and blachard Wiles, Espo, of the law form Deckstone & Pempons ("Orchevoes"). The Issuer and their necessariant of their reconsistence.

with the Trivitee and agreed to form a commentare. It is Tomestice? It to regionate with the Ivenee. Following the meeting, those Halders with expected an interest or journing the Committee with the offices of Debrowing at Teaching, July 20, 1993. At that meeting, a Committee was formed connecting of eight Halders owning approximately 18,3% of all of the unstanding Notes and Nationalism, of Tomeston, N.A., as Taston Line as no sate Office members. The Transfer (as an x-a-officio member). The Contentine docted bit Anthony Box Walsh and Mr Brui as Co-Chairmen and Debreone as equated to the Contentialer Subsequent to the Contentialer Subsequent to the contentialer Subsequent to the contential of the voiding communion members directed the Transfer (in or train) Debreone as the Transfer (in or train). directed the Trustee (1) to retain Debevoire as the flusteen's squeeze occusion in connection with the bisner's require for a recurrentaring of the Notes, and (it is bravious, to must Debevoire's free, and explaints, in such control, in an experience of the Trusteen, which is payable out of the cash processes of the Bandberg intelluding cash flow held in the Owner's Operating Account maistained by the Trustee under the Indestrum's and is recreated by the Trustee under the Indestrum's and the Corner have convenied to the applications of the Bandberg and retained critisteen. The Inster and the Corner have convenied to the applications of its firm and explainer.

Debended and the foregoing treatment of size me and expunses.

The Committee has held a number of meetings and recently nest with representatives of Oct or make a shorter around a measurement of the committee of the desired and the debt represented by the cumunding Notes. Parsuns to the guideline, so the production of the Oct, the structure of the processing of the order of the o MILL, Evg., De 875 Third Avenue, New York, NY 10022

2212-090-025.) Since our Jane 21, 1993 instage to you, (i) the lower and the Owner have failed, on two occasions, to deliver to the Trustee quarterly statements of Cash Plane and the accompanying documents and enformation required under the fadesser and the Mongaign, with respect to the lancer and the Owner, and test the Owner has failed to deliver to the Trustee lat a letter from the Appender regarding the first marker value of the Mortgaged Propers and the accompanying additional information, and (b) a letter from the Engineer regarding the physical conditions of the Improvements. Notice of those failures was given by the Trustee to the fourtrands that opplicable prior provide here infrontly and the applicable prior provide here infrontly and the applicable prior provide here infrontly in applicable price persods have already est, to that uddenotal Events of Default rred and are community under the

indensets and the Manyage
Holders interested in communicating with the
Trease may verge to Mr Wildiam I Kennety,
Sentor Vice President, NationalBank of
Transeties, N.A. 500 East Man Street, 17th
floor, Richmund, VA 23214-2441 (Bib. 144-134)
Its order to minimize expenses, that Transet
does not precently stored to publish any more
assuces to their than those required by the
lindenset to be published intl. avisids, will mail
noness to all Holders known to a. 4 exemingly
ill Holders who trees on presented to the sale. all Hedders who have one pressured shore we are tagged to fax their maining addresses and the pracegal amount of Notes held by them to Mr Kennedy (fax to 1404.)444 [346] to allow for interes and the second second and art defined factors and art defined forces

Nationalized of Transacro, N.A., In Security of Transacro

Dated: Nevember 18, 1991

| 103+61170171717175

HORTHERN BOCK BUILDING SOCIETY £100,000,000 Floating Rate Notes 1994

In accordance with the provisions of the Notes, notice is bereby given that, for the three month period 24th November, 1993 to 24th February, 1994 the Notes to 24th February, 1994 the Notes will bear interest at the rate of 5.625 per cent, per annum. Coupon No. 7 will therefore be payable on 24th February, 1994 at £1,417.81 per coupon from Notes of £10,000 nominal and £141.88 per coupon from Notes of £10,000 nominal.

S.G. Warburg & Co. Ltd.

First Union Corporation U.S. \$150,000,000 Floating Rate Notes due 1996

on First Union Corporation's \$150,000,000 Floating Rate Notes due 1990 tot the interest period beginning 24th November, 1993, and ending 24th February, 1994, the next intenst payment Lite, will be 3.625%. The amount of interest payable for such interest period on each \$10,000 principal amount of the Notes will be \$92,64. Headers Tress Company, London Agent Ban

INTERNATIONAL COMPANIES AND FINANCE

Hollywood stars in race for small-screen exposure Mexico sets

Martin Dickson examines plans by Paramount and Warner Brothers to establish television networks

mount Pictures and Warner Brothers - are racing to establish new US television broadcasting networks. And about the only thing they agree on is that there is only room for one of them to suc-

Both companies have recently announced plans to launch a fifth broadcasting network. It would compete against the three long-established networks - CBS, NBC, and ABC and the upstart Fox Broadcast-ing, launched in 1986 by Mr Rupert Murdoch's News Corpo-

Paramount, which is in a joint venture with Chris-Craft industries, owner of six independent television stations. intends to launch its service in January 1995. Warner, which has teamed up with Tribune Broadcasting, owner of seven stations, aims to have its service running by next autumn. While details of the Paramount and Warner plans differ considerably, both are essentially trying to emulate Fox. Fox has built up its network

by winning over local indepen-dent broadcasting stations around the country, and by gradually increasing the amount of original programmes it broadcasts. Its original output still falls well short of the Big Three, and is concentrated substantially in the 8pm-10pm prime time slot and in children's pro-

gramming. However, its 140 atilitated stations reach around 95 per cent of American televi-To attract the national

ble, Paramount and Warner have to sign up affiliates who can put their programmes into at least 80 per cent of homes.

Both companies agree the 280 broadcast stations which remain independent - and which they are targeting - are sufficient only for one more network, and even that will require some cable partners, or tie-ups with affiliates of existing networks.

"There's no room for two more networks," says Mr Rob-ert Daly, chairman of Warner Brothers. He has appointed Mr Jamie Kellner, who played a key role in the birth of the Fox network, to do the same for his

"The battle will be won or

lost in terms of who signs the bulk of the non-affiliated independents, and that's where all the arm-twisting, and salesmanship and persuasion is going on," says Mr Kerry McCluggage, chairman of Paramount's television group.

But is there even room for a fifth network? After all, the Big Three, which used to account for over 90 per cent of US television viewing, have seen their share drop to around 60 per cent with the expansion of cable telsvi-Do viewers want yet more

general broadcasting, rather than the narrowly-focused programmes offered by cable? Paramount and Warner Brothers note that the networks actually gained viewers at the expense of cable this autumn for the first time in

we of Hollywood's larg-advertising necessary to make years, suggesting that market est film studios - Para-a new network financially via-share may be stabilising. They also point out that some 40 per cent of US population is not wired for cable, nor fikely to be in the near future; and that part of the Big Three's loss of market share has been to Fox and other independent broadcasting stations as they improved the

quality of their programmes. The independents have been bolstering their traditional fare of local sports, news and old movies with so-called first-run syndication shows - series produced by Hollywood specially for this market.

Paramount, which launched an offshoot of its long-running, but still extremely popular, Trek science fictio into first-run syndication in the late 1980s. The move to a fifth network is logical progression from first-run syndication, but it has also been spurred by a big change in the structure of the television production

restricted the Big Three networks' ability to own and produce the prime-time entertainment they broadcast, and to benefit from later syndication of these shows, most of which are are made by Hollywood. However, a court ruling this month sounded the death knell for this restriction, and the Big Three are preparing to increase

For the past two decades,

enti-trust regulations have

Hollywood to look for additional outlets. Paramount and Warner plan to start their networks with just two hours of original pro-



Steven Spielberg: one of the possible strengths of Warner Brothers' programming

gramming two nights a week. Paramount will feature a new Star Trek series.

Warner has not given any programme details, but strengths include its expertise in children's cartoons and the talents of producers like Ste-

ven Spielberg.

Although Warner initially announced plans for a much fuller, faster roll-out of its network than Paramount, it has had to slow down. Potential affiliates baulked at having to share advertising revenues from the lucrative 5pm-5pm and noon-2pm time periods with the national network.

Warner has also faced resistance over the financing of its network. The company, which owns no broadcasting stations, has had to reduce the size of the up-front "guarantee" it wants affiliates to pay it to help fund the roll-out. It also wants a share of any increase in affiliates' profits.

Paramount, which owns four independent stations, is not asking affiliates for cash, and maintains it can make its network viable with money from national advertising and from its local stations, whose value should be increased by network affilia-

Warner initially planned to establish quickly a related cable television network to carry its channel into so-called "white areas" of the nation, where there is no unaffiliated independent station. However because of the

Oil group expands in Argentina

reduction in its up-front payments and its more modest programming goals, it has deferred that plan. Instead, it aims to reach these areas initially through ad hoc syndication deals with affiliates of the four existing broadcast networks - roughly the same approach being pursued by Paramount.

warner claims to have signed up affiliates represent-ing some 42 per cant of US households, while Paramount is on 33 per cent.
The battle has a long way to

go, and could be complicated by the outcome the outcome of the \$10bm takeover battle for the Paramount studio's parent. Paramount Communications, different priorities.

substantially increased Argen-

The new investment pro-

gramme comes at a time of increasing competition in the once tightly-controlled oil

In 1991, the government dere-

gulated the industry. In June it

partially privatised YPF, the national oil company. YPF, now 45 per cent-controlled by

private investors, is Argan-

tina's only fully integrated

company and controls half the

tina's attractiveness.

industry.

agenda for foreign bank licences

in Mardoo City

Mexico is set to open up its financial system to foreign competition early next year. The finance ministry plans to give licences to as many as 25 US and Canadian banks.

The opening is prescribed by

the North American Free Trade Agreement (Nafta). which will eliminate restrictions on foreign investment in Mexico's banking, brokerage and insurance sector. Excluding Citibank, which manages a branch under a special agreement, the banks will be the first foreign financial honses to operate subsidiaries

JP Morgan, Chemical Bank, Bankers Trust, Citibank, Chase Manhattan, and American Express from the US, and Bank of Montreal, the Royal Bank of Canada, the Bank of Nova Scotia from Canada, are among those said to be interested in a licence to open a subsidiary. US and Canadian subsidiaries of non-American banks are also permitted to seek licences.

The free trade agreement allows US- and Canadian-in-corporated banks initially to take up to 8 per cent of the banking market as measured by capital, or about \$830m. The limit is increased until all significant restrictions are scrapped by the year 2000. Rach individual foreign bank would be initially restricted to 1.5 per cent of the market, or about \$150m of capital.

Mr Alvaro Vazquez, managing director of corporate finance at JP Morgan, said his bank would make "a significent commitment in terms of capital and people" to Mexico cles and economic growth had if granted a licence. JP Morgan, like scores of other banks, has a representative office in Mexico.

JP Morgan says authorisa-tion will enable them to participate in the peso foreign exchange markets, and to borrow and lend money in pesos. Mr Stefano Natello, an analyst with CS First Boston, doubts the new banks will enter the retail market, setting up a branch network. Instead, they will concentrate

Write-offs hurt Canadian bank

By Bernard Simon in Toronto

Write-offs stemming from the acquisition of a trust company and a discount brokerage firm helped push Toronto-Dominion Bank's fiscal 1993 earnings down by almost a third. Earnings at Canada's fifthbiggest bank dropped to C\$275m (US\$206.9m), or 82 cents a share, in the year to October 31, from C\$408m, or C\$1.25, a year earlier. The return on equity slipped to 5.4

per cent from 8.4 per cent.

would have been C\$398m, or C\$1.21, without restructuring costs stemming from the purchase of Central Guaranty Trust and a fourth-quarter write-off of the purchase price for the Marathon brokerage Loan-loss provisions rose to

C\$600m from C\$543m. Non-per-forming loans fell to C\$1.22bn on October 31, from C\$1.59bn a year earlier. The bank predicted that loan losses would decline and earn-

ings improve in 1994, provided

North America was sustained. Fourth-quarter earnings fell to C\$82m from C\$113m, due to the Marathon write-off. Net interest income in the quarter rose, however, to C\$601m from C\$529m. Fee income, mainly from securities, credit cards. safekeeping and trust services, grew by 18 per cent.

Assets stood at C\$35hn on October 31, up from C\$74.1bn.

National Bank of Canada's 1993 sarnings rose to C\$175m, or C\$1.01 a share, from C\$1m. or a loss of 29 cents per comthe economic recovery in mon share, last year.

Royal Dutch/Shell Group, the

By John Bacham in Buenos Aires

Angle-Dutch oil group, is to invest more than \$1bn in Argentina in the next four years. It wants to upgrade and expand its retail and refinery businesses and incresse oil exploration and production. The investments, to begin in

1994, will modernise its ageing refineries, raising capacity and improving environmental con-trols to meet more stringent regulations. The company's

retail network will also be expanded and upgraded. Royal Dutch made the announcement in the Nether-lands this week during a state visit by Argentina's President Carlos Menem. It said: "The idea is to

have an integrated company in five years." Royal Dutch has traditionally concentrated on the rafining and retail sectors of the oil industry in Argentina, rather than produc-

It said that political stability, pro-business government poli-

U.S. \$53,000,000

BANCA SERFIN, S.A.

Floating Rate Notes due 2000

For the Internet period from November 29, 1985 to May 31, 1986 the pase has been determined at 41% per arrown. The amount psychic on fetry 31, 1994 per U.S. \$500,000 principal amount of Notes will be U.S. \$11,437.50.

By: The Cross Haphatine Bust, N.A. London, Agust Bust

stay ahead.

November 26, 1998

domestic off industry. on the corporate sector. ARTIFICIAL INTELLIGENCE FUTURISH TRADING "INTRLLIGENT TECHNICAL SYSTEMS"

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The latest year's earnings This appoundement appears as a matter of record only

(a member of the Rosy Blue Group of Companies with its registered office at Luxembourg)

ROSY BLUE FINANCE S.A.

PRIVATE PLACEMENT

US DOLLARS 57,750,000 6.5% US DOLLARS Bearer Bonds 1993-1998

Arranged by: ABN AMRO Bank (LUXEMBOURG) S.A.

Fiscal and Paying Agent: ABN AMRO Bank (LUXEMBOURG) S.A.

Advisor to the issuer: ABN AMRO Bank, ANTWERP DIAMOND BRANCH



Kingdom of Denmark

The Agent Bank

U.S. 5436,600,000 Secured Floring Rate Motor due 2000

USD 250,000,000 Floating Rate Notes due May, 1995

In accordance with the Description of the Notes, notice is here-

by given that for the Interest Penod from November 24, 1983 to May 24, 1994 the Notes will carry an Interest Rate of 10%

May 24, 1994 against coupon No. 18 will be USD 502,78 for each

USD 10,000 Note.

U.S. \$34,000,000

BANCA SERFIN, S.A.

Floating Rate Notes due 2004

For the interest parcy from November 29, 1993 to May 31, 1994 the rate has been determined at 4'x's per arisum. The amount payable on May 31, 1994 per U.S. 5500,000 principal amount of Notes will be U.S.

OWE

By . The Chase Manhelton Back, N.A. London, Agest Back



(a member of the Rosy Blue Group of Companies with its registered office at Luxembourg) PRIVATE PLACEMENT

US DOLLARS 68,500,000 zero coupon notes 1993-1998

Arranged by: ABN AMRO Benk (LUXEMBOURG) S.A.

Fiscal and Paying Agent: ABN AMRO Bank (LUXEMBOURG) S.A.

Advisor to the issuer: ABN AMRO Bank, ANTWERP DIAMOND BRANCH



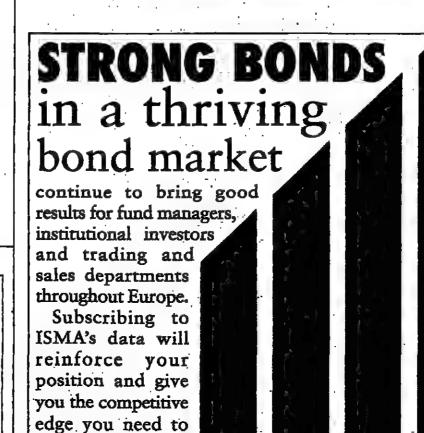
US\$900.000,000 Floating Rate Subordinated Loan Participation Certificates due 2000 issued by Salomon Brothers Aktiengeselischaft for the purpose of financing a subordinated loan to

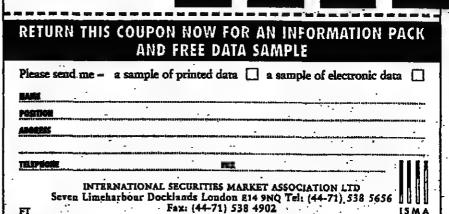
🙏 The Mitsubishi Bank, Limited Notice is hereby given that for the three menths interest period from 26th November 1993 to 28th February 1994 the Certificates will carry a Coupon Rate of 3.75% per annum.

Coupon payable on 28th February 1994 will amount to: US\$ 979,17 per US\$100,000,00 Certificate and US\$9,791.70 per US\$1,000,000.00 Certificate, respectively

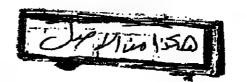
> Mitsubishi Bank (Europe) S.A. As Agent Bank







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Brazilian private sector steps up Eurobond issues

Patrick McCurry finds increasing international acceptance of paper issued from the country

Pazilian private-sector companies are increasingly looking to the 2,000 per cant a year and Eurobond market to raise money for capital investment, taking advantage of the grow-ing international acceptance of Brazilian paper.

Secretary of the second

Eurobond issues are also becoming more diverse. For example, Minas Gerais, part of the country's industrialised. south-east region, is preparing Brazil's first Eurobond issue by a state, which will be sold with an equity warrant allowing investors to buy shares in its electricity company.

The corporate sector will issue around \$1bn in the second half of 1993, more than double the first-half figure and total Eurobond issues are expected to be more than \$5.5bn this year. Private companies will account for about 30 per cent of the market vol-ume in the second half of this year, twice the share for last

Private companies are find-ing it easier because investors are becoming increasingly: used to Brazilian paper through bonds issued by the banks and large governmentcontrolled companies. This followed a virtual stagnation in the second half of 1992, caused by corruption allegations against former President Farn-

A higher proportion of the money is being spent on capi-tal investment, although companies are still putting part of the funds into the high-yielding local money markets.
"We're seeing more corporate issues, rather than issues by banks, and a lot of the money is going on plant and equipment," says Mr Charles Spragins, corporate affairs

Despite inflation of nearly 2,000 per cent a year and an economy lacking the structural reforms carried out in Mexico. Chile and Argentina, many Brazilian companies are planning investments after restructuring and reducing costs, particularly in the capi-tal intensive steel and pulp

industries, Investors are willing to take on the "Brazil risk", thanks to the country's \$27bn international reserves which make central bank restrictions on repayments highly unlikely.

Ironically, Brazil's economic problems have been the key to attracting investors because companies have to pay some of the world's highest interest rate spreads. Although spreads have fallen some 200 basis points this year, as Brazilian paper has become more acceptable, they are still about 100 points above Argentina and 200 points above Mexico.

Yet even at these rates it is still attractive for companies to issue Eurobonds. For a fiveyear bond, issuers are paying 400-500 basis points above US Treasury notes, of about 5 per cent, compared to inflation plus 16-18 percentage points in the domestic bond market.

Issuers have raised more than \$5bn fhis year and there are still several hundred million dollars of Brazilian issues planned by Christmas. But with an uncertain world bond market, mainly due to higher US interest rates, some companies will have to pay higher spreads, says Mr Vincent Parkin, Brazilian representative for CS First Boston. He adds. however, that after a hiatus there could be a large number of issues in the new year.

Bankers expect more equitylinked issues from companies and institutions like the National Development Bank, which has stock in more than hundred Brazilian compa-

The Minas Gerais bond with warrant issue, to be lead managed by French-owned Banque Indosuez, is expected by the end of this year or early next year and will be for up to \$200m. To pay a lower spread, the state will offer investors the option to buy shares in its

electricity company Cemig at a predetermined price.
This follows Brazil's first equity warrant issue in August when Bombril, a household cleaning products manufacturer, placed \$150m of

Among private-sector companies going to the Euromarkets for investment funds is Metalúrgica Gerdau, a family-owned steel company, which raised \$100m in early November. The eight-year bond, with two put options at three and five years, paid a spread above the relevant US Treasury note, of 450-500 basis points. It was lead managed by Citibank.

Suzano de Papel e Celu-lose, a pulp company with interests in the petrochemical sector, raised \$80m in October, paying a spread of #22 basis points. Bankers say the bond market may be influenced by next

year's presidential elections. They also stress the importance of progress on the Brady Plan foreign debt agreement. "The Brady Plan could be the stepping stone needed for institutions to enter the corporate market in a big way, like they did with Mexico a couple

Ontario returns with DM1.5bn offering

The Province of Ontario lost no time in returning to the Eurobond market yesterday, now that the uncertainty surround-

INTERNATIONAL BONDS

ing its rating had been lifted. On Wednesday, Standard & Poor's cut the long-term debt ratings of the province of Ontario and Ontario Hydro to double-A minus from double-A. Ontario, which had been absent from the Eurobond market since early September, raised DM1.5bn through an issue of 10-year Eurobonds, its first offering in the D-Mark sec-

tor for nine years. Canadian issuers can tap the D-Mark sector now that international sanctions against

They had shunned the sector while the sanctions were in force because of the German banks' links with South Africa.

The timing of the issue sent a strong signal to the market that Ontario had put the downgrading behind it and would now proceed with its heavy borrowing programme.

"The downgrading has unfortunately happened and we will now drive on," said Mr Ronald Otsuki, Ontario's director of capital markets. He added that he was encouraged by Moody's decision to hold Ontario's rating at Aa2.
Prior to yesterday's deal,

Ontario said it expected to borrow an additional CS2.6bn through public issues in the current fiscal year, ending March 31 1994. This would bring total fiscal 1994 borrowings to CS11.7bn.

swapped back into Canadian dollars, reduces the additional borrowing to C\$1.4bn. Mr Otsuki said that if the opportu-

nity arese, Ontario would seek to pre-fund next year's borrowing programme, of C\$9bn-C810bn. He added that he had chosen the D-Mark sector because it offered the lowest-cost funds of all global markets and that the

opportunity and demand was

The bonds will be priced today to yield 47-49 basis points over underlying German government bonds. Syndicate managers said the pricing was fair but added that had Ontario not been downgraded, the yield spread on the bonds would have been seven basis points

due to the Thanksgiving holiday in the US. Honda Motor, a well-known name in the Euroyen sector, raised Y50bn through an issue of Eurobonds due 2001, via

Nikko. Today, Sumitomo Realty and Development plans to raise a total of Y80bn through three Eurobond offerings.

NEW INTERNATIONAL BOND ISSUES									
Bortower US DOLLARS	Amount fn:	Coupon	Price	Maturity	Foes %	Spread bp	Book runner		
China Chersea s Land \$(a)	125	4"8-5" 8	100	Dec 2000	2 50		Nomura Intl.		
O-MARKS Province of Ontonion:	1.5bn	(c)	(c)	Jan 2004	(c)	(c)	CSFB Effect/Dautsche Bk.		
YEN Honda Motor Co Salemen Inc.†	50tm 30tm	3 80 (b)	100.32R 100R	Mar 2001 Mar 1998	0.325R 0.25R	:	Nid-o Europe Salomen Inti.		
SWISS FRANCS GECC	150	4 125	102.75	Dec.2003		_	SBC		

Final terms and non-collable unless stated. The yield spread fover relevant government bond) at launch is supplied by the fead manager \$Comercia, \$Frazing rate note. R: fixed re-offer price; fees are shown at the re-offer level a) Borrower's full name China Overseus Land & investment Coursent Lib Generative copium up to \$55m, Callable from \$1/2/5 at par. Comercian price is from \$1/2/5 Fixing on 29.11/93 b) Coupon pays 3 month Libor + \$00p. c) To be priced today. Leunch oproad 47-49 (6%-2003). Yesterday's offering, the pro-South Africa have been lifted. ceeds of which are likely to be

Firmer tone in European prices

By Conner Middelmann

Amid thin volume with US markets closed for Thanksgiv-ing, European bonds firmed on fresh easing hopes after reports that the Bundesbank's vice-president said conditions in Germany may offer room for further declines in interest

Mr Johann Wilhelm Gaddum was reported to have made the comments after delivering a prepared speech in Paris. Barly news reports of that speech caused market confusion after a news agency incorrectly reported Mr Gaddum as saying that German money market rates would fall to 4 per cent. It later corrected the story, stating the error stemmed from incorrect simultaneous translation of the speech.

The December bund contract blipped higher after the erroneous report and shed few of the

gains when it was rectified. It finished at 99.78, up 0.21 point from Wednesday's close. Meanwhile, more regional German inflation data indicated that German inflation is

GOVERNMENT BONDS

continuing its steady decline. According to Mr Armin Kayser, economist at Swiss Bank Corp in Frankfurt, the November data indicate a seasonally adjusted month-on-month rise of 0.2 per cent and a year-onyear rate of 3.7 per cent. "This is the fourth consecu-

tive month of declining inflation, and the data indicate we won't have to revise our optimistic inflation outlook," he

French bonds outperformed

weekly statement indicated that net currency reserves had risen by FFr31.6bn in the week to November 18. That put reserves FFrs.2bn in the black, the first positive balance since the summer currency crisis which depleted the country's

foreign currency reserves.

in recent months the central bank has resisted cutting interest rates to protect the franc while rebuilding its reserves. But "now that they are long reserves, I feel the chances of a small near-term repo rate cut have increased," said a French bond trader. The French central bank's next open-market operation is on Monday. The French 10-year yield gap

over German bunds narrowed to 14 basis points from around 20 basis points on Wednesday, and traders see it shrinking back to near-parity if France does ease rates independently of Germany,

10.03 5 ym 11.56 15 ym 10.04 20 ym 13.47 irred.† 10.93

Up to 5 yrs Over 5 yrs

UK gilts were buoyed by firmer German and French bonds, with the long gilt con-tract ending some % point higher at 115%.

Prices were further sup-

ported by the drop in oil prices caused by Wednesday's Opec decision not to cut production, which was seen to improve the already positive inflation outlook and prompted buying of longer maturities, traders

Spanish bonds rose only slightly and the currency was dogged by nervousness ahead of today's third-quarter jobless data and the spectre of a general strike. The long bond contract on MEFF ended 0.15 point

higher at 102.44. Italian bonds fared slightly better, lifted by strong markets elsewhere and hopes that the 1994 budget will be passed. The BTP future on LIFFE ended at 112.76, up 0.24 point.

EIB loans of Ecu516m for **Portugal**

By Peter Wise in Lisbon

Portugal vesterday signed Investment Bank for eight loans totalling Ecu516m for transport, telecommunication and energy projects.

The new loans raise EIB lending to Portugal this year to a total of Ecul.5bn. up 20 per cent on lending in 1992. The loans represent 2.5 per cent of Portugal's gross domes-

tic product. Portugal thus displaces Denmark as the biggest per capita beneficiary of EIB loans, receiving 9.5 per cent of the total EIB loan budget. The EIB plans to issue up to a further Es35bn in escudo-denominated Navigator Bonds this year to add to a previous three issues also totalling Es35bn.

Nov 25 Nov 24 Yr. ago Nov 25 Hov 24 Yr. ago Nov 25 Nov 24 Yr. ago

7,51 9,74 8,91

6.26 F.01 7.06

	equipment," says Mr Charles there could be a large number Spragins, corporate affairs of issues in the new year.	of years ago," says Mr Parkin. blipped higher after the errone- ous report and shed few of the	their German counterparts does ease rates is after the Bank of France's of Germany.
	WORLD BOND PRICES	Italy	PT-ACTUARIES FIXED INTEREST LINDICES
	Red Day's Week Month Coupon Date Price change Yield ago ago	IN NOTIONAL TRALIAN GOVT, BOND (BTP) FUTURES (LIFFE) Lin. 200m 100ths of 100%	Price Indices Thu Day's Wed Accruet UK (Vis. Nov 25 change % Nov 24 interest
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	Italy	Strike	Index-United
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Shareholders urged to be 'realistic' and accept 1p a share offer

Ferranti spells out alternative

By Paul Taylor

Mr Eugene Anderson, chairman of Ferranti International, stepped up pressure on the defence electronic group's 48,000 shareholders yesterday, urging them to be "realistic" and to accept GEC's 1p a share

In a lengthy letter to shareholders Mr Anderson said Ferranti's directors "understand the unhappiness" over the terms of the GEC offers to ordinary, special and preference

However, he reiterated that the Ferranti board believes that if the £11.4m GEC bid is rejected "the only practical alternative is receivership, and we believe that no class of shareholder will receive any value from receivership.

The letter rejects many of

attempts to deal with the issues raised by the Ferranti Shareholders Support Association led by Mr John Katz. In particular it confirms that administration, suggested by some as an alternative to receivership if the GEC bld fails, is not an option because Ferranti's banks have held a fixed and floating charge over the assets of the company for the past four years.

As a result Ferranti's 15 banks, which are owed about £100m, can block the court appointment of an administrator and insist on receivership something Mr Anderson said they have indicated they would

The other issues covered in the letter include: Order book and installed the surplus is not large enough

the claims of disgruntled individual shareholders and arising from the group's £1bn attempts to deal with the installed base are reflected in claims that Ferranti's UK tax the order book which fell from £200m at the end of March to £165m by the end of September a period when Ferranti lost £19.4m before tax.

The current order book is not sufficient to sustain the Ferranti business and the group will have to be restructured, its cost reduced and substantial new business must be won for it to return to profitability.'

• Pension Fund Surplus. Although Ferranti's annual report shows that the actuarial value of the Ferranti pension scheme is over-funded by about £106m, under Inland Revenue rules, which impose more stringent actuarial assumptions, the letter says

losses of £110m can only be used to offset future profits from the Ferranti busi They cannot be directly transfered to GEC, or be offset against GEC's existing busi-

· Goodwill Ferranti invists the potential value of the group lies in the experience and expertise of its remaining employees rather than in patents and trademarks. The letter also emphasises that, "Ferranti is worth only what someone will pay for it in its present circums

GEC has said it will not proceed with the bid unless it receives the support of shareholders controlling at least 90 per cent of the group's 1bn shares.

Larger customer base lifts **SW Water**

from the non-core businesses.

The pre-tax return increases

at a slower rate due to interest

charges of £4.8m, against

gains last year of £7.6m. South West, which received

a £266m dowry from the gov-

pay for its substantial

capital expenditure pro-gramme, is expected to have gearing of between 25 per cent

and 30 per cent by the year

The non-core business

The third, Haul Waste,

incurred losses of less than

The interim dividend is

raised by 7.7 per cent to

8.4p. Earnings per share were 3.5 per cent higher at 38.4p.

South West is about one third

the way through its dispropor-

tionately large capital expen-

diture programme and has

another £1.3bn which it must

spend. Although so far it has been allowed substantially

higher price increases than its

colleagues to fund the expendi-

ture, this status may well

come under pressure in next year's review. Furthermore,

even though South West has

been pretty acute in spotting cost cutting opportunities, these may be increasingly

more difficult to achieve in

future. Forecasts for full year

tive p/e of 8. The company's main attraction seems to be its yield which stands out in an

moved ahead on the back of

three acquisitions,

£im after interest.

COMMENT

bution, storage and engineer-A rise in the number of new ing group reported a strong customers helped South West Water, the privatised utility, increase in underlying profitability. Pre-tax profits for the six to announce a 3 per cent increase in interim pre-tax

months to September 30 were flat at £10.3m (£10.4m). There The outcome, largely in line was an exceptional charge of with expectation, was struck on sales up 30 per cent to 23.9m. a loss of 25.7m on the disposal of the Hamworthy £125.7m for the six months to hydraulics and transmissions business was partly offset by a The increase in profits was property disposal gain.

due to a strong performance in the core regulated water and sewage business, which bene-fited from the addition of 2,500 However operating profits rose by 40 per cent to £16.8m (£12m) on sales of £355m (£330.8m), including £16.8m new customers, cost savings (£21.6p) from discontinued and price increases. Mr Ken Hill, finance direc-Mr David Hubbard, chair-

tor, said the group had man, said the strong trading returned "good sound results" in the first half. start to the year was in part due to the recent restructuring Operating profits were 32 per cent higher at 254.9m, helped by a £1m contribution and it belied continuing weaknesses in some of its main mar-

kets.

However, improved trading of the group's oil distribution activities this summer should.

Chloride Group, the battery

manufacturer which is trans-

Shares in Powell Duffryn rose

by 15p to 614p after the distri-

given reasonable winter (9.8p). The interim dividend is weather conditions, augur well maintained at 6.6p. for the remainder of the year in fuel distribution. Mr Hubbard said growth in

£10.3m after exceptional

Powell Duffryn flat at

the company's shares of the automotive and industrial oil markets was midernimed both by improved terms of trade and by reduced failures among road haulage customers. However, the weak summer coul market was acacerbated

by technical start-up problems in a coal contract, which held back overall progress. Steady trading performances in the port activities against a background of patchy demand were boosted by the contribu-tion from the minority interest

in Stephenson Clarke Ship-Storage interests made further progress. Although results from the UK dry goods ware-houses and US packaging plants were affected by lower demand, this was more than offset by improved results from the liquid storage operations in

larly Australia.

the UK and overseas, particu-

O COMMUNIT

. The positive reception given to these impressive figures con-firms the re-rating enjoyed by Powell Duffryn, which has seen its shares more than double in the last 19 months. After apparently slumbering in the nties, the group revitalised itself through buying shrewdly into the ports business and shedding less profitable activi-ties. Gearing of about 20 per cent gives plenty of muscle to huy another large UK port and the group will continue to invest in its quality Hamworthy engineering businesses. Forecast full-year profits of £37m put the shares on a prospective multiple of 17. That is a 13 per cent premium to the market, which seems modest for a well-run group which has yet to see strong recovery in its main markets. Even a maintained dividend would still offer a premium yield and more builtsh analysis think a cold winter would enable the Earnings per share were 8p group to lift the final payment.

Celltech to float with £176m tag

Celltech, the emerging bio-technology company, yesterday raised £50m in a placing of shares at 2500 in the largest flotation this new UK sector has yet seen.

The size of the float was lower than the company had originally hoped for as market conditions had proved "quite challenging" and the new issue market had gone off the boil, according to Mr Peter Fallner,

The company will have a market capitalisation at this price of £176.5m. While the entire 20m share placing was underwritten by

Barines. 7m of the shares were

placed subject to clawback by the public. The closing date for applications is December 2. Celltech will retain £27.3m after expenses while the British & Commonwealth administrator's stake after share sales falls from 36.4 per cent to 19.9 per cent. B&C and the Prodential and

Montagu Equity, which also sold shares, have agreed not to sell any more for a year. Mr Fellner said he was pleased with level of interest and the fact that Celltech had raised what it was seeking for its R&D programme. The management is not sell-

ing any shares and directors

have said they will be applying

for 29,000 in the public offer,

Just over a quarter of the issue was distributed in Switzerland by Swiss Bank Corporation, and the rest by Cazenove in the UK. G COMMENT

While the £50m float is less than the company had hoped for, Celitech has nevertheless successfully raised what it needs for its R&D programme. bigger float would, however, have led to a smaller overhans in the market from the stake retained by British & Common wealth. The importance of this is diminished, however, when one considers that no investor should be looking to invest in Celltech - or any of the high risk new bio-technology drug

a long-term view. If the US experience is any guide, one of the newly floated bio-tech companies is likely to succeed with super returns. And Celltech may have gone further than most in reducing the risks by securing a strong source of internally generated cash to slow the rate R&D consumer cash. But it is questionable whether investors really have a big enough choice of compa-nies in the UK from which to construct a truly risk-reducing portfolio. Sophisticated inves tors might well buy Celltech, but they would be well advised to consider constructing a portfolio that included some US bio-technology stocks as well.

Aviva incurs \$0.6m third

Aviva Petroleum, the Texas-based oil and gas company quoted in London, reported a deficit for the third quarter to the end of September of \$632,000 (£424,000), or losses of 2 cents per

That compared with a deficit of \$515,000 - losses of 9 cents per share - in the comparable period and brings the deficit at the nine months stage to \$975,000 (\$8.76m) for losses

offering to purchase for cancellation, at 71p apiece, some 170,000 shares of the company's common stock held by owners of less than 100

forming itself into an electronics group, returned to the black in the six months to end-These accounted for about half of the increase in group sales. Two of the three busi-Pre-tax profits were \$1.32m. nesses were profitable after

compared with a previous loss of 22.78m. Earnings per share were 0.1p (losses 1.8p), insuffcient to resume the dividend, the company said.

Mr Keith Hodgkinson, chief

executive, yesterday described the result as "a major step forward" for the group, which is going into the second half with a stronger order book than last year. The strategy would continue to be disposal of the bat-teries businesses in order to invest in the core electronics

Chloride recovers to £1.32m

Total turnover rose by 14 per-cent, from 245.4m to 251.8m. Discontinued operations accounted for \$2.7m in both The electronics division

moved into the black with operating profits of £508,000 compared with a loss of £2.27m previously. Turnover chimbed from 234.1m to £38.3m. The electronics products fall

into three areas - uninterruptible power supplies for computers, emergency lighting, and power conversion. Mr Hodgkinson said sales of

uninterruptible power supplies were 7 per cent ahead in the half. A new sales office in Thailand had doubled the order rate in south-east

tion in Rochester in the US had returned to profits, while losses had been reduced at the El Paso operation in Texas. The group sold two battery businesses in Kenya and one in Botswana during the first half. The sales of further businesses in central Africa and Egypt are being negotiated.

Operating profits from the bettery businesses were \$1.16m (£604,000) on turnover of

McLeod Russel rises to £5m

Profits of McLeod Russel which acquired the lossmaking Wheway group earlier this year, expanded from 24.94m to 25.16m pre-tax for the year to end-September.

The shares rose 12p to 113p

Turnover of 288.4m (243.4m) included a six months' contribution from Wheway - the group's operations cover sur-face coatings, air filtration products and environmental engineering.
On an annualised basis the

enlarged group's turnover for the year was in excess of

Operating profits improved by 52 per cent to £5.17m although interest of £490,000 (£1m received) reduced the pre-tax rise to 4.4 per cent. The total dividend is lifted to 6.1p via a final of 3.35p

(3.25p). Earnings emerged at 7.54p (7.46p) per share. Mr Nigel Openshaw, chair-man, said: "We have made a good start in rebuilding the former Wheway busines restore profitability and to make them cash generative."

FT-SE Mid 250

Now that Whitbread's offer for Whitbread Investment has become unconditional in all ects, the FT-SE Actuaries IIK Indices Committee has approved that Amstrad should replace Whitbread Investment in the FT-SE Mid 250.

Waterglade cuts loss amid restructuring

Holdings, the property devel-oper, reported pre-tax losses of £11.7m for the 14 months to May 31, against £18.5m for the previous 12 months.

The main factor was the lower exceptional charge of 27.06m (£13.3m) of which 24.83m (212.8m) was a provision against the cost of develnumbert properties During the period the com-

pany came to an agreement with its largest bank creditor, Bank of America, which took over Waterglade's largest asset in return for extinguishing all but £1.75m of the £18m debt. As an interim funding measure the company is issuing £500,000 of convertible unse-

Waterglade International an expected further £25,000 in the near future.
It is intended to make a rights issue before the end of February next year. Watergiade has also raised, a

total of £1.15m through prop-erty and other sales. In addition there was a refund of corporation tax of £1.75m which helped cash flow. Of its holding in Seafield, the Dublin-based transport and property group, the company said it would be retained as a long term investment. aithough Seafield was selling

its property interests. Water-

giade tried to replace the Seaf-

drew. Turnover for the 14 months was £9.59m (£24.6m). Losses 2250,000 has been issued with per share were 56.7p (84.5p).

quarter loss

of 4 cents (\$1.65) per

share. Aviva also announced it was

Fife chairman asks for support

By Peggy Hollinger

Mr Gavin Hepburn, chairman of dissent-riven Fife Indmar, yesterday appealed to investors to support current management against attempts by minority shareholders to change the board and announced the appointment of a new managing director. In a letter to shareholders this week, Mr Hepburn said

Scottish businessman, and Mr Charles McDonald, a Fife director, to nominate two board

attempt to "secure control of the company . . without making a general offer to all Mr Crolla and Mr McDonald,

who control 10.4 per cent of the company, have requisitioned an extraordinary meeting on December 17 to unseat Mr Hepburn and fellow director Mr Michael Munro.

They propose to replace them with Mr Crolla and Mr Hepburn as chairman. Mr Hepburn said it was

"ironic that the board should face a challenge at this time, just when its strategies are bearing fruit." Fife had returned to profit at the

interim stage.
The appointment of Mr Tim Guitaridge, former chief execu-tive of Courtney Pope, would further strengthen the busi-

ness. Mr Heoburn said. The chairman said he was also puzzled at Mr McDonald's David Chassels, of BDO Binder decision to support Mr Crolla Hamlyn. If successful, Mr since he had been "at one with McDonald would replace Mr the board in developing those strategies and rejecting earlier approaches by Mr Crolla".

Quadramatic ahead of forecast with £1.57m

Quadramatic, the specialist engineering group which came to the market in uly, made pre-tax profits of £1.57m in the six months to September 30, slightly above the flotation forecast of £1.46m.

ded FKI, the electrical engineering group, along with Mr Jeff Whalley, Mr Gartland said the order book was 12 per cent higher than last year's levels, and prospects remained favourable.

Turnover was £13.2m to September immediate priorities were acquisitions to fill excess factory capacity at the formed group's year-end. Earnings per group's Oldham base, which makes coin-handling equipment, and to

Quadramatic comprised a coin-handling and optical business when it came to The shares, floated at 123p, yesterday closed 2p higher at 161p.

Mr Tony Gartland, chairman, is a deal maker who in the eighties expanded to the market, but last month placed more shares in order to pay \$11.3m for two high-technology instruments businesses.

Mr Gartland, who has promised to expand the group by acquisition, said he now had the three core areas on which he could build - coin-handling, optical and industrial instruments. His

accounted for 22 per cent of group sales and made profits before interest and tax of £250,000 (\$160,000). Mr Gartland said: "The group will expand the optical and instruments

otherwise dull sector.

Coin Controls International accounted for 78 per cent of group sales in the six-month period and made profits before interest and tax of £1.9m (£1.2m). In the last year, Coin's sales improved by 26 per cent as it strengthened its position in UK leisure machines and US pinball machines. Combined Optical Industries, which

continue to seek appropriate strategic acquisitions which will be earnings en-hancing and we have identified a number of promising opportunities, which will support the group's growth plans."
The chairman said the recently

acquired instruments businesses had considerable potential for further growth. Datapaq supplies thermal mon-itoring systems, while Automatic Sys tem Laboratories makes calibrating moulds plastic optical products, equipment for laboratories.

DIVIDENDS ANNOUNCED										
	Current payment	Date of payment	Corres - ponding dividend	Total for	Total inst year					
AAHht	. 64	Mar 23	6.8	-	17,3					
BPB indeint	28	Jan 21	2.7	-	7.5					
Cater Alienint	8	Jan 7	7		27					
Fulcrum inv Tetint	1.4党	Dec 31	1.4		13.07♥					
GEIint	าที	-	2.47	-	4.94					
Hardwood FoodsTit	2.4	Jen 17	2.8	-	6.4					
Macdonald Martinint	2.286	Jen 7	2.2	-	8.8					
McLeod Russelfin	0.351	Jan 14	3.25	6.1	8					
Morland	6.98	Feb 14	5.98	2.74	8.4					
Policy Portfolioint	1:5	Jun: 10	-							
Powell Duffrynint	6.8	Jan 7	6.6		22.6					
Quadramatic	1	Feb 11	•	1						
Scottish Powerint	4.13	Mar 11	3.72		11.15					
Shanka & McEwan Jint	2.24	Jan 21	2.24		5.68					
South West Waterint	8.4	Apr 6	7.8	_	23.7					
Tomkhaonsfin	8	Feb 17	6	11.5	11.5					

Dividends shown pence per share net except where otherwise stated, 10 increased capital. XSecond interim; makes 2.8p to date. \$\tilde{V}\$For 18 months

Strong start to the year

Results for half year ended 30th September

Profit before exceptional items and tax___£14.2m £9.4m £1.0m Exceptional (costs)/profits.... Profit before tax... £10.4m Earnings per share... 9.8p Earnings per share - "normalised"____ 9.1p

- Trading results show benefits of corporate restructuring
- Balance sheet strength maintained
- Interim dividend maintained at 6.6p

"The Board's longer term development plans continue to make good progress."

David Hubbard

POWELL DUFFRYN FUEL DISTRIBUTION • SHIPPING AND STORAGE • ENGINEERING

PAKISTAN TELECOMMUNICATION CORPORATION

TENDER NOTICE

Sealed bids are invited from manufacturers of repute or their authorised agents for supply, supervision and commissioning into service of SDH Fibre Optic System between Peshawar-Karachi (alternate route) as per Pak Telecom specifications.

Any clarification required by the bidders may be asked for in writing. Letters seeking clarifications should reach this office 15 days prior to the date of opening of blds.

Bid documents can be purchased from this office on payment of US \$ 100.00.

Last date of receipt of tenders is 20th January, 1994 by 1000 hours. Tenders will be opened publicly the same day at 1030 hours in the Siddiqui Auditorlum, Pak Telecom Headquarters, Islamabad.

The competent authority reserves the right to reject any or all bids without assigning any reason.

Divisional Engineer (Purchase - II) Pakistan Telecommunications Corporation, G-8/4, Islamabad-44000, Pakistan. Tel: (92+51) 855923 Fax: (92+51) 856828 Telex: 5823

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The Company has made a free issue of Warrants in the proportion of one Warrant for every 33 BTR Shares held. The Warrant issue has been made to existing shareholders in respect of their registered holding on 30 September, 1993 and also in respect of new BTR Shares issued as a result of shareholders electing for the Enhanced Scrip Dividend Alternative and on the exercise on 18 October, 1993 of the subscription rights attaching to Warrants 1992/93 and Warrants

FOR ORDINARY SHARES OF 250 IN THE COMPANY

Each Warrant entitles the holder to subscribe for one new BTR Share at a subscription price of 405p (subject to adjustment). The subscription rights may be exercised during the two 30-day periods in 1999 which start one day after the despatch of the interim results and of the Annual Report and Accounts.

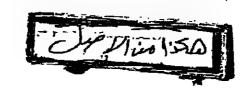
The London Stock Exchange has agreed to admit the Warrants to the Official List and such admission will become effective and dealings will commence on 26 November, 1993.

Copies of the circular to shareholders dated 8 October 1993 containing inter alia details of the Werrants may be obtained during normal business hours on any weekday (Saturdays eva up to and including 30 November, 1993, for collection only, from the Company Announce

Office of the London Stock Exchange and up to and including 10 December, 1993 from: BTR pic, Silvertown House, Vincent Square.

Cazenove & Co., 12, Tokenhouse Yard, London EC2R 7AN

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A £2.3m exceptional write-off from the sale of a Dutch subsidiary caused pre-tax profits at Hazlewood Foods to dip 5.7 per cent to £23.3m in the six months to October 2. The

shares fell 7p to 141p.
Stripping out the effects of June's £14.2 sale of Luijckx, profits grew to £25.6m (£24.7m). Turnover rose 11 per cent to £403.9m (£364.8m) and gross profits advanced 6 per cent to £88.1m (£83m).

Mr Peter Barr, chairman, said that the refocusing of the group was largely complete. With the past few years' heavy investment now in place, the board's next challenges were to promote "volume-led" organic growth, and increase productivity levels, using the now under-utilised capacity in many of its upgraded plants. He said that the drive for organic growth meant having "a coherent strategy", stating that the short-term situation could not affect the long-term

The slippage in group margins, from 8.3 to 7.8 per cent, was in part due to commissioning and general restructuring costs of about film in the half, especially in convenience foods

Restrictions by supermarket chains, which were rejecting higher prices while demanding no loss of quality, also contrib-

Another aim was to exploit the immaturity of the European market in added value foods, principally in the ready meals and convenience foods sectors. This type of food prodtime and the proportion is set

By division, grocery and nonfood lifted operating profits to £8.1m (£7.4m) on lower turnover of £78m (£80.2m).

Frozen foods profits at £11.2m (£11m) were held back by flatfish which was down at £1m (£1.5m) and ready meals which were flat at £5m. Shellfish were up at £5.2m (£4.5m). Reduced profits of 24.7m (£6m) in convenience foods eant that profits at fresh

foods slipped to £10.9m (£11.1m), though produce rose to £2.5m from £1.6m. Earnings per share fell to 6.94p (7.62p). The interim dividend is lifted to 2.4p (2.3p).

Since. September the food industry has come under the retailers' cosit and it is unfortunate that Hazlewood's refit has come on stream in a period of pricing uncertainty. Some might say that the manage-ment could have started the nvestment earlier, in a stable price environment. And there is a feeling that in its drive for higher volumes, the group might be a little too amenable to the retailers' as yet unknow able price demands. That said, there is plenty of scope for productivity gains and, using the Dutch manufacturing and distribution operations, continental Europe seems ripe for the taking. With between 252.5m and 255m pencilled in for the current year, against last year's £55m, the p/e hovers round the mid-8s. The shares look cheen, though the wary market will want to see the

Hazlewood Faced with a very tricky balancing ACT

lower after Maggie Urry on some problems facing the chancellor in his Budget next week

hen Mr Kenneth scheme will be dropped alto-Clarke stands up gether. next Tuesday to deliver his first budget, companies will be straining to hear what he plans to do about surplus advance corporation tax and the foreign income dividend scheme proposed by his essor in March

The FID scheme was initially enthusiastically received, and velcomed publicly by the 100 Group of Finance Directors, but has found some critics. Says one finance director, "I would like it to go ahead and I think we would like to implement it. It's not perfect, but half a loaf ..."

A corporate tax expert agrees, although he thinks balance. I sincerely hope it does go ahead. But in a nanner that is practical and effective."

However, the depth of feeling is illustrated by one finance director of a Footsie company who not only refuses to be named speaking on the subject, but insists that no comment he makes should be traceable to him or his company.

"It is a very divisive subect," he explains, saying that it has pitted company against company, and shareholder against shareholder. Some even hope, he says, that the

CHAIRMAN'S STATEMENT

I am pleased to report that we have continued to build on our strengths, both financially and operationally. For the stx months to 30 September 1993, pre-tax profit was £115.7 million, an increase of 21.5% on last

year's £95.2 million. However, last year included an exceptional net charge of £13.3 million and, excluding this, the year on year pre-tax

increase is 6.6%. In a period when the majority of our revenues have been

Earnings per store rose 27% to 10.78o and your Board has declared an

to shareholders registered on 11 February 1994. This represents an

Gearing on 30 September was very low, at 2.3%, with net borrowing of £20 million. Dividend and taxation payments of approximately £160 million in the second half of the year will increase net debt by the year end.

We continue to reduce costs and actives greater efficiency. This is an ongoing process and we are working to demanding international

capped by particularly low inflation, this is a good outcome.

Further, the debate is inextricably entwined with the question of whether pension funds will be taxed, itself a fraught topic. Under the pro-posed FID scheme, pension funds would lose their tax credit on dividends, cutting

knock-on effects. Lower income would cut pension funds' values. All companies. not just those with a surplus ACT problem, could find that rather than a surplus on their pension fund they have a deficit. That would mean the end contributions holidays. depressing profits, in turn lowering the tax take and possibly squeezing dividends.

That could have serious

Companies may be pressured by tax-exempt shareholders to make up the loss of their tax credits through higher dividends, so gains made by avoiding ACT would be lost through increased pay-outs. Any which did not make up the dividend shortfall could see their share prices fall, further reducing nsion fund valuations.

The anonymous finance lar view: "I wouldn't mind if pension funds were taxed. Our cheme is generously funded."

regime, companies pay ACT on dividends and can then offset that against their mainstream corporation tax bill. Tax-exempt investors, such as pension funds, can reclaim the tax on the dividend, while tax paying shareholders are treated as having already paid basic rate

Companies suffer if they have too small a UK main-stream tax liability against which the ACT can be offset. in which case they end up pay-



ing surplus ACT, raising their tax charge. There are two main

reasons why this happens. most or all of its profits from the UK, but pays higher dividends than it can afford, will be hit. This is usually considered a cyclical problem, for instance where a company does not cut its dividend when profits fall, and is expected to lessen when profits recover

More serious is the case of

Our performance demonstrates our commitment

to improving customer service,

increasing efficiency and developing our businesses.

Murray Stuart

Building on our Strengths

INTERIM RESULTS FOR SIX MONTHS TO 30 SEPTEMBER 1993

We have accepted the revised price control proposed for our transmission

business by The Office of Electricity Regulation (OFFER). By keeping our

price increases to 1% below the rate of inflation, the Director General has

budget at a gross cost of £85 million and ahead of schedule in September.

has increased our ability to sell power outside Scotland by almost 75% from 1994/1995. Profitability in the first half of the current year improved

because of higher prices in the English wholesale market although there

are signs that this market shows modest weakening in price.

Our gas business, Caledonian Gas, has continued to win new customers

and we are actively pressing for the Government to allow all gas consumers to enjoy the benefits of competition by 1998, the same

The retail business has performed strongly and increased profitability.

timetable as full competition for all electricity customers.

11.15p

2.42

2.28

ging target to reduce costs in the future and we believe that we can

refits are reflected in our half year figures.

companies with a structural problem - those which earn a high proportion of their profits overseas. They cannot offset ACT against their overseas tax bills, and pay insufficient UK

tax to use up their ACT. The March budget did two things. First, Mr Norman Lamont cut the ACT rate from 25 per cent to 20 per cent over two years, in an attempt to reduce the amount of surplus ACT. While this appeared helpful, and gave a cashflow benefit to companies, it soon became apparent that it would actually increase the government's tax

The second was Mr Lamont's proposal of the FID scheme. Essentially this would allow companies to pay dividends free of ACT out of their foreign income. The scheme was detailed in an Inland Revenue consultative document.

It is this scheme which Mr Clarke is expected to elaborate on in the budget, and perhaps put into effect in the new year. The Inland Revenue is understood to have received numerous negative comments about the scheme, It is a complicated system, and has many restrictions which companies feel will constrain its use. Cynics even suggest that since the

FID scheme will cut the gov-

companies not to use it.

The FID scheme involves a company paying ACT as normal, but identifying which dividends it regards as being paid out of foreign income and those after proving the dividend was paid from foreign profits. It cannot use foreign income from earlier or later

As well as the many technical concerns about the scheme, the main bone of contention is the question of tax credits. Any dividend paid as a FID would not entitle a tax-exempt shareholder to reclaim tax. It would make no difference to a tax-paying shareholder.

holders would benefit from a company paying would save surplus tax - but another class would lose. Under the scheme, companies cannot "stream" dividends, directing FIDs towards tax payers and tax-credit bearing dividends to pension funds. One leading accounting firm described this rule as "unduly barsh" in its submission on the scheme to the Inland Revenue.

Companies are in danger of

at the same time growing total market share.

delighted and proud that our achieve

Customer service remains one of our highest priorities and we are

major awards. We have received the prestigious Government Charter

Mark, which measures standards, information and openness, choice and

consultation, courtesy and helpfulness, putting things right and value for

South of Scotland Consumer's Committee and we have met 99.9% of

Our performance during the first six months of the year demonstrates our

commitment to improving customer service, increasing efficiency and

Tracing since September has continued in line with our expectations and

25 November 1993

Year ended

we look forward to making further sustained progress in the full year.

itment to elderly and disabled customers was hij

sury would actually prefer shareholder whatever they do. "It drives a wedge between the two types of shareholder," says finance director, "and puts the directors in a very nasty position. FIDs take away one problem but they leave another which is almost worse."

The Revenue is unlikely to beed calls from some finance directors and tax experts to abolish ACT altogether. One suggestion is that ACT be removed but corporation tax payments brought forward from the current due date of nine months after the year ernment a substantial one-off cashflow benefit in a year when it needs every penny it can raise.

The same problem of lost tax credits would arise for tax-exempt investors and hence for companies' pension funding costs. But, proponents argue, the government could in return lessen the tax burden for all companies, which would be fairer than the current system which penalises some through surplus ACT.

Whatever Mr Clarke does on Tuesday, it looks certain that he will offend some companies panies, fearing they will have to alienate some shareholders, may have little sympathy for

gham

Mixed response for market newcomers

The shores of three newcomers to the stock market met with a mixed response in first day Shares of Lilliput Group, the

Cumbria-based manufacturer of hand-painted miniature china cottages, closed 10p down on the 185p offer price. The company placed a total of 12.04m ordinary shares with institutional and other investors, of which 4.2m were subject to a clawback to meet retail demand. In the event

just over 1m shares.
The flotation raised £16.3m for existing shareholders, and 22.43m net of expenses for the company, of which £1.47m will be used to redeem preference

retail investors and employees

took up only 24.7 per cent, or

oid, the roofing subsidiary spun off by Tarmac, closed at 163p, a premium of 13p. At the 150p flotation price, the com-pany was valued at about

placed firm with institutions. The balance of 16.5m shares was 2.1 times subscribed. The issue raised 288.8m for existing sidiaries of Tarmac, and £2m for the company.

Shares of the the third newcomer, Biotrace International, ended the day at 145p, valuing the the South Wales-ba technology group at about 244.7m. Last week Allied Provincial Securities placed 7.15m shares, representing 23.2 per cent of the enlarged share capi-

tal, at 130p. Biotrace was founded five years ago by Mr Ian Johnson, a former Welsh Water microbiol-

The placing included some company which will mainly be

and deferred shares. In contrast, shares of Ruberand other sectors.

1	Note 2	1993	1992 [Restroot]	1993 (Restated)
Thrower from continuing operations	2	568.7	544.B	1495.6
Operating Profit Net interest charge	. 2	118.6	99.4 (4.2)	316.5 (9.0)
Net premium charge on loan redemphoris	.3		·•	(10.4)
Profit on ordinary activities before texestion Javation	4.	115.7 (27.8)	95.2 (26.0)	297.1 (77.6)
Profit for the period Dividencis	•	. (33.7)	(30.3)	219.5
Rendered Profit	5	+ 54.2	38.9	128.6
Earnings per Share	. '6	10,780	8.49p	26.940

Standard 3 (FRS3). Accordingly, operating profit for the six months ended 30 September 1992 and for the year ended 31 March 1993 is now stated after net to ceptional charges of £13.3 million, which last year were separately disclosed in the Profit and Loss Account. Details are given in Note 2. The figures for the six months ended 30 September 1992 have also been restated on a Group basis to be consistent with the presentation adopted at 31 March 1993.

7 4130

2.61

NOTES 1. These interim results have been prepared on the basis of accounting policies consistent with those set out in the company's Directors' Report and Accounts for the year ended 31 March 1993, The information shown for the year ended 31 March 1993 does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1995 and has

March 1993 does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985 and has been extracted from the full financial statements for the year ended 31 March 1993 filed with the Registrar of Companies. The report of the Auditors on these financial statements was unqualified.

2. Turnover from continuing operations for the periods ended 30 September 1992 and 31 March 1993 includes exceptional income of £9,7 million in respect of a reassessment of energy losses in the transmission and distribution network. Operating profits for the periods ended 30 September 1992 and 31 March 1993 are stated after charging provisions for reorganisation and restructuring of the company's operations totaling, £23 million. These sums were last year separately disclosed in the Profit and Loss Account as net exceptional items of £13.3 million.

3. On 15 December 1992 the group repurchased a £142 million. These sums were last year separately disclosed in the Profit and Loss Account as net exceptional items of £13.3 million.

3. On 15 December 1992 the group repurchased a £142 million. 11.856% bond due in 2005 from HM Treastry at a premium of £18.4 million. The net premium charge on loan redemptions for the year ended 31 March 1993 reflects that payment less £8 million in respect of the write back of the unamortised balance of discount from cartier loan redemptions.

4. The charge for taxation reflects the anticipated effective rate for the year ending 31 March 1994 of 24% on the profit before hamilton.

5. Retained profit for the period represents recognised gains and losses as defined by FRS3.

6. The earnings per share have been calculated by dividing the profit on drainary activities after taxation of £87.9 million (1992 - £69.2 million) by 815,022,632, being the weighted average number of ordinary shares in issue and ranking for dividend during the period (1992 - £875).

7. The intertra dividend during the period (1992 - £875).

7. The interna directed of 4.13p (net) per ordinary share (1992-3.72p) is payable on 11 March 1994 to shareholders

8. Reconcilation of movement

GROUP BALANCE SHEET

	Note	30 September 1993	30 September 1992	31 March 1993
		lin.	£m.	£m
Firmal assets		1221.1	1115.5	1175.6
Current assets		358.3	492.5	3/50
Creditors: amounts failing due one year	weithin	(390.4)	(381.7)	(348.0)
Not ourrent assets/(Habiiti	es)	(32.1)	110,6	(23.0)
Total assets less current fia Creditors: amounts lating due		1189.0	1226.3	1152.6
more than one year		(142.0)	(284.0)	(142.0)
Provisions for Exhibities and ch Deferred income	arges	(49.1) (143.8)	(99.4) (133.2)	(73.9) (137.0)
Not assets		854.1	709.7	799.7
Capital and reserves				
Catted up share capital		407.5	407.5	407.5
Share premium account		0.4	0.1	0.2 0.1
Reserves Profit and loss account		446.0	1.506	391.8
Shareholders' Funds	. 8	054.1	709.7	799.6
Minority Interest		-		1.0
		054.1	709.7	799.7
Gearing ratio	9	2.3%	1.1%	12.2%

Murray Stuart

in shareholders' funds:	30 September 1993 £m	30 September 1992 £m	31 March 1993 £m
Profit for the period	77.9	69.2	219.5
Dividends	(33.7)	(30.3)	(90.9)
Resident profit	54.2	36.9	128.6
Share capital issued	0.2	0.1	0.3
Increase in other reserves	0.1		
Goodwill written off		(5.3)	(5.3)
	54.8	33.7	123.6
9. The gearing ratio reflects the level of a	et debt to capital and reserves at	t the Balance Sheet dates. Ne	t debt comprises:
-	30 September 1993	30 September 1992	31 March 1993
	£m	£m	£m
Cash and short term deposits			
(included in current assets)	(1.30.8)	(288.3)	(57.0)
Long term borrowings	142.0	284.0	142.0
Bank overdraft	8.8	123	12.6
	20.0	80	97.6



ScottishPower

A copy of the ScottishPower Interim Report, containing full information on the company's results for the six months to 30 September 1993 can be obtained from Mr. Andrew Mitchell, Company Secretary, ScottishPower plc, 1 Atlantic Quay, Glasgow G2 8SP, Telephone 041 248 8200. Fax 041 636 4582.

A new five year supply agreement with British Coal will make our fuel costs more competitive. This is effective from 1 April 1993, replacing our ogist, and Mr. Colin Griffiths, a range of rapid testing instru-GROUP PROFIT AND LOSS ACCOUNT ments and chemical reagents to monitor hygiene levels and detect microbiological contami-

More than 30m shares - 65 resources overseas. Slimmer Unigroup

£4.41m in the black

materials group, yesterday reported a pre-tax profit of £4.41m for the 15-month period

est payable of £1.38m, offset by interest receivable and similar income of £918,000. A further 2361,000 was written off.

The profits were wholly attributable to discontinued activities, which contributed 26.47m. However, these were

Unigroup, the building £14m, giving a significant materials group, yesterday boost to the balance sheet net tangible asset value per share rose to 33p, against 7.2p to September 30.
The outcome included inter-

Turnover totalled £38.5m. Rarnings per share were 8.5p. In the 12 months to end-June 1992 Unigroup incurred a pretax loss of £794,000 on turnover of £17.8m. Losses per share were

reported as 3.3p.
Following the disposal of the timber products arm, the group diminished by losses of £1.25m from continuing activities. The net proceeds from the ities: building products and air disposal amounted to about movement operations.

		FULCRUM	
€ L	1	ESTMENT TRUST	$2L.C_{\odot}$
		6 months	6 months

6 months ended	6 months ended
31 October 1993 £497.467	31 October 1992 £493,727
2.50p	2.80p £14.778,873
150°210'950	E14,70,070
117.04p	105.41p
2.46p	1.88p
63.24p	34.04p
1/1	
	6 months ended 31 October 1993 £497,487 2.80p £20,510,928

WAUNBY

4 MOUNT PARADE, HARROGATE, NORTH YORKSHIRE HG1 18X TELEPHONE: (8423) 523553 - FAX: (8423) 530356

Scottish Power tops £115m

Scottish Power, the vertically integrated electricity company, increased pre-tax profits from £95.2m to £115.7m in the half year to September 30; the underlying increase, however, adjusted for an exceptional charge last time, was 6.6 per

The interim dividend is raised to 4.13p (3.72p) on earnings per share up 27 per cent to 10.78p (8.49p). Mr Ian Preston, chief execu-

tive, said that as part of the strategy of increasing efficiency the company had reduced the workforce to 7,610, against 9.500 at privatisation two and a half years ago. There were further staffing reductions to come, he

Gearing at the period-end was 2.3 per cent, with net borrowings at £20m, but the company expects that by the year end borrowings will rise to gearing amounted to 11 per

Mr Preston said improved

half reflected higher prices in the English wholesale mar-

The upgraded transmission link to England and Wales, completed ahead of schedule and within budget, would increase the company's ability to sell power outside Scotland by 75 per cent from

The retail operation was ahead of this stage in 1992. The company has opened its 100th store and is increasing market

The company yesterday announced the appo Mr Ian Russell, director of financial control at Tomkins, as Imance director.

Scottish Power has effected a significant recovery since its disappointing stock market introduction two and a half years ago and these results lemonstrate why. It appears to be one of the few power compa-nies to be making a success of retailing and its contracting arm made profits, if only mini-



Ian Preston: retail operation is ahead of this stage in 1992

mal, this half. The company was yesterday making the most of the reinforced interctor with England which will enable it to export the equivalent of a third of its pleases the City is the stick-tobasics approach through which, for example, it has eschewed foreign ventures of the type being pursued by National Power and PowerGen.

make £335m to £350m pre-tax for the full year and pay out about 12.4p in dividends. At that level the prospective yield on the shares, down 2½p to 406½p, is 3.8 per cent. That is below the sector average signifying City approval. However, the shares may suffer if the ulator lifts the cloud over the English generators by deciding against referring them to the Monopolies and Mergers

reduction on last year.

Mr Jefferies said the aim was to reduce manpower to 4,750 by the year-end and 4,250 by the end of March 1995.

from \$248.1m to £391.6m but the genera-tions/interconnection business suffered a full from £32.7m to £18.8m.

The fall was partly the result of a less favourable contract from April with Elec-tricite de France. Mr Uttley said genera-tion/interconnection would probably be down at the full year but less so than the

National Power moves into **Portugal**

A consortium led by National Power, the electricity genera-tor, yesterday completed the purchase of the 600MW Pego coal-fired power station in Portugal from Electricidade de

The completion represents National Power's second foray overseas and follows a \$160m (£107m) acquisition in the

The company has said it expects to invest £1hn abroad by the end of the century as market opportunities in the

In Portugal the company is investing about £40m initially. It will own 45 per cent of the Tejo Energia consortium which will own the £710m sta-

The other shareholders are Endesa of Spain (35 per cent) and Electricite de France (10 per cent). EDP retains 10 per cent of the station which is about 100 miles north-east of Lisbon on the Tagus River.

Following completion of the deal Tejo Energia entered into a 28-year power purchase agreement. The first 15 years cover an exclusive supply from Pego to EDP.

For the remaining 13 years there is an option to sell the output to third parties "at no increased risk to the consor-

National Power said performance tests had been com-pleted on the plant's first 300MW generating unit. It is now operational and providing

The second unit will continue to be constructed by EDP and will be completed by

Royal Bank shares rise on Direct Line advance

By John Gapper, Banking Editor

Direct Line, the Royal Bank of Scotland's private insurance subsidiary, became the largest private motor insurer in the UK in the year to September 30, while more than trebling pre-tax profits to £50.2m,

Gross premium income was almost doubled at £409.5m (£213.2m). It doubled the number of active private motor policles to 1.25m (670,090) and said it had set a target of writing Im new motor policies in the coming year.
Total assets grew to £567.9m.

funds rose by £86.3m to

The capital increase included an additional £53m injected by Royal Bank in addition to the

£120m injected since Direct Line was founded.

The company achieved more modest growth in household e, increasing policies to 273,000 (206,000). It has developed new risk profiles and is now selling household policies as fast as motor policies two years ago."

Mr Peter Wood, chief executive, said it could undercut competitors because it had had a 10.2 per cent ratio of expenses to premium income for motor policies, compared with an estimated industry average of 27 per cent.

Mr Wood said that Direct

Line had experienced "truly an

(£304.3m) while shareholders' outstanding and satisfying year". He said the results showed that critics were incorrect to assert that lower pric-

1,873 at the year end from

new office in Birmingham, and expanded in Glasgow. A fifth regional office is due to be opened in Leeds by the end of A Direct Line Financial Services arm was launched in the first half of the year, offering

personal loans and mortgages among other products. Its results are to be consolidated in Royal Bank's figures which will be released next week. Mr. Wood said there was no conflict between the financial

services operation and other Royal Bank operations because there was only a 5 per cent overlap between the two sets of customers, and this figure was

Royal Bank shares closed 22p

Cost cuts boost National Grid

National Grid, the operator of the England and Wales electricity transmission system, benefited from cost cutting to increase pretax profits by 9 per cent to £285.3m in the

half year to September 30, against £261.6m. The company also revealed yesterday that Nuclear Electric, the state-owned generator, had increased its market share from 21.4 to 24.9 per cent, a more significant improvement than had been expec-

Nuclear Electric will use its share gain, made mainly at the expense of National Power, to argue for privatisation in the forthcoming nuclear review.

Mr David Jefferies, National Grid chairman, said the rapid changes in the genera-tion market emphasised the need for his

company to have flexible control systems. This was being helped through the opening this year of a new national control centre which employed £32m of software. The system could be operated more remotely and the six satellite centres had already been reduced to four.

National Grid's profits improvement was achieved on turnover ahead 3 per cent from \$666m to \$687m. The company declared an interim dividend of £46m, or £920 per ordinary share a 9.5 per cent increase - for the 12 regional

electricity companies which own it. Mr John Uttley, finance director, said National Grid aimed to pay about a third of dividends at the half year stage. He said the profits improvement

trols on prices and reflected cost reductions more than anything else. The workforce was now 5,100, an 11 per cent

asmission operating profits rose

Shanks & McEwan hit by setback in waste services

By Peggy Hollinger

Shares in Shanks & McEwan fell 22 per cent yesterday as the waste management group revealed significantly lower than expected pre-tax profits for the first half.

The shares dropped 220 to 98p following a 42 per cent drop in pre-tax profits to £9.35m. Turnover fell by 19 per cent to £63.2m. Analysts had been looking for profits of

about £13m. Shanks also warned of a 25m charge to restructure the waste, environmental, and energy divisions. The company said it planned to cut between 90 and 100 jobs from the senior and middle management levels as a result of integrating the

Mr Gordon Waddell, chairman, said the rationalisation would result in cost sevings of about 25m next year.

He said first half profits had been hit by a sharp decline in the higher margin waste services business and increased costs of meeting reg-

Many customers were reducing the amount of waste produced for various reasons, said Mr Waddell, including the effects of recession on trading and a general move to avoid

The worst performer was environmental services, which includes the Rechem company purchased in 1990. Operating profits fell by 29 per cent to \$4.58m, on sales 3 per cent lower at £19.8m. Waste services erating profits were 26.58m (£8.19m), on sales of £34.1m. Energy services moved up from near-breakeven to contribute 2746,000, with sales of

24.3m (£2.18m).

The profits line was also affected by losses in the construction business, for which Shanks took a 219.8m restructuring and bad debt charge last year. This division incurred a pre-tax loss of £2m. The company said it had recovered \$1.7m of the £17m in bad debts for which it had provided. None of this had been written

The interim dividend is held at 2.34p, payable from earnings

per shars down from 6.5p to 3.5p.

While had news was widely expected on the construction side few thought to see such a sharp downturn in volume and margins in the core waste services division. Although the decline appears to have stabllised in the second half, questions remain over the extent to which some business has disappeared for good. Many sizeable customers, such as chemical companies, have been reducing or disposing of waste side, Shanks still boasts good margins and should benefit from cost cutting. As one of the largest waste disposal companies, it is also well placed to benefit from licensing regulations set to begin next year. For those holding the shares at the moment, the yield of 7 per cent may look attractive. Otherwise, the play is on recovery, which still looks to be some way away. Forecasts were pulled back from £26m to £16m for a prospective p/e of about 8.

Thirst for Old Speckled Hen lifts Morland to £9.1m

By Philip Revistome

Morland, the Thames Valley-based brewer, trebled sales of Old Speckled Hen, its leading beer brand, in recording a near-20 per cent increase in full year pre-tax profits from 17.62m to 20.12m.

"The results were achieved in the face of a particularly hostile environment both ecosaid Mr Jasper Clutterbuck,

"Technically, we are told, the recession has ended. There is little indication of that in our market place."

Earnings per share improved 16 per cent to 30.3p (26.1p) and a final dividend of 6.96p increases the total in line with earnings growth to 9.74p (8.4p). Mr Clutterbuck said the figures, quoted on a pre-FRS 3 basis, gave "a far better measure of the true performance of the company". Under the new accounting standard, pre-tax profits for the year to September 30 rose 60 per cent, from 25.55m to 28.87m; earnings per share were 76 per cent higher

at 29.1p (16.5p). Operating profit, before exceptionals, rose from 28.52m to £11.5m on turnover ahead 24

By Philip Rawstome

Macdonald Martin Distilleries,

the maker of Glenmorangie

malt whisky, reported a 20 per

cent decline in first half pre-

tax profits, from £2.69m to

Excluding the extra costs of

reducing production at the

company's two distilleries, profits would have been 2 per

cent ahead - "a satisfactory

result in the current economic

and whisky industry climate,"

said Mr Neil McKerrow, man-

aging director.
"While it is difficult to fore-

cast with certainty, we expect a slightly stronger second half

Earnings per A share fell

from 13.08p to 10.46p but the dividend is lifted from 2.2p to

came mainly from trading agreements with national and regional brewers and increas ing distribution in the take-home trade, but direct sales to independent pubs were also 14 per cent higher. "It can now claim to be a national

brand," said Mr Clutterbuck. Overall, Morland's ale volumes rose 29 per cent and, with contract brewing for Courage, boosted production at the company's Abingdon brew-

ery by 50 per cent. Two new ales, after successful test marketing, are to be launched in the new year. The retail division, compris-

per cent. Food now accounts for 36 per cent of turnover. Meals sold through the 11 Artist's Fares catering pubs increased 47 per cent to 450,000. group profits, "traded respect-

per cent at £50.9m.
Old Speckled Hen's growth

Macdonald Martin

20% lower at £2.16m

ing 75 managed outlets in the estate of 365 pubs, maintained margins and raised profits 15

Morland's tenanted pubs, which contribute 47 per cent of ably during a particularly diffi-cult time," said Mr Clutter-buck. The 72 pubs bought from Inntrepreneur Estates last year have been integrated into the

estate and are cash positive. ital expenditure ated to £7.7m with £6.3m Capital invested in the pubs and core

to September 30 rose from

\$11.5m to £13.1m. In the UK

volume sales of single malt

were marginally lower and an

increase in own label business

was offset by reduced sales of other blends.

UK profits fell under the

impact of competitive pricing

in blends and increased mar-

keting expenditure for Glenmo-

Overseas profits improved however. Sales of Glenmoran-

gie and Glen Moray malts were 20 per cent higher, helped by

the resumption of shipments to the US after over-stocking in that market last year. Sales of bulk blends also increased.

Trading contracts within the

industry remained highly competitive and profits from the business declined slightly

in spite of increased turn-

rangie...

buoyed by discount house side

Cater Allen

A particularly strong performance by its discount house business helped Cater Allen Holdings, the financial services group, report a 86 per

The pre-tax line for the six menths to October 31 increased to 29.85m (27.25m), while an abnormally low tax charge, reflecting a £1m excep-tional tax credit, resulted in a 45 per cent increase in attributable profits to £7.48m

(£5.16m). Earnings per share jumped from 21p to 31p and an increased interim dividend of

8p (7p) is declared. The profits advance was led by the discount house, the second biggest in the City, which reported an 88 per cent increase in pre-tax profits to £4.87m (£2.59m). The performance mainly reflected better trading opportunities in gilt edged securities. Money mar-ket operations made a "satisfactory contribution" during a period when there were no

base rais movements.

The stock lending and finanthrived. Low interest rates inevitably reduced the return on capital, although this was more than offset by higher volumes. As a result profits from stock lending expanded to 23.75m (£3.09m) while financial futures broking generated

£440,000 (£302,000). In Jersey, lower profits from banking operations were almost offset by growth in the trust and investment management businesses and by "a sparkling result" from the stockbroking subsidiary in its first period of ownership. Overall Jersey profits slipped to £1:91m (£2.11m).

The loss in the group's Lloyd's agencies widened from £838,000 to £1.12m, "slightly greater than expected at this stage", but included a number of special items.

English & Overseas

English & Overseas Properties has received acceptances for 22m ordinary shares (93.6 per cent) of its recent rights

The balance has been sold in

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European Leisure in the black

By David Blackwell

European Leisure, the debtladen discotheque and snooker hall operator, has agreed a financial restructuring with its banking syndicate.

Mr Clive Bastin, chairman, warned yesterday that fallure to obtain shareholder approval for the proposals would seri-ously jeopardise the ability of the company the ability of the company to continue trad-

The group also announced a return to the black for the year to the end of June. Pre-tax profits of £221,000 were struck on turnover of £68.4m, compared with a previous loss of £54.9m on turnover of £75.1m. Existing bank facilities of

£79m are almost fully utilise Under the restructuring the banks, led by Barclays, would convert £20m of the debt into new ordinary and prefer-ence shares. The remaining £59m would be put on a four-year term, with £3m of interest rolled up into a con-vertible loan note over three

SB in drug

swap with

Recordati

SmithKline Beecham has

revealed its first-ever product

benish prostatic hypertro-

phy, a common condition in

men over 50. The group will have exclusive worldwide mar-

keting rights except in Italy, Spain, Japan, and either

In exchange, Recordati will co-market two compounds in

Italy and Spain, These are

epristeride, smother compound for BPH, and ropinirole, a treatment for Parkinson's dis-ease. Both are in late stage

development. In addition.

Recordati will receive mile-

15-2739's development and will-

The market for treatments

for RPH is emerging rapidly. Last month, Abbott Laborato-

Merck's Proscar. Other companies with BPH compounds

marketed or in development

include Pfixer of the US,

Synthélabo of France, and

Yamanouchi and Ono of

Abbott believes that of the

30m men aged over 50 in the

SB's developing urology port-folio." Epristeride is a 5-alpha-

reductase inhibitor and from a

different class of drugs from

with a Scandinavian company.

GEI's fall to

£131,000 hits

Sharply lower profits from its processing machinery side left GEI International, the steel

and machinery manufacturer, with pre-tax profits of £131,000 for the six months to Septem-ber 30, against £1.03m.

The interim dividend is

passed. There was a 2.47p pay-

ment last time. The shares lost

15p to 70p. Mr Michael Blackburn,

chairman, blamed the process-

ing decline on a lack of orders

from the pharmacoutical

Mr Blackburn said severe

Turnover was £37.6m

(£38.2m). Earnings per share came out at 0.21p (1.31p).

same level as last year.

share price

Recordati's medicine. Recordati is also preparing an alliance in oral healthcare

manufacture the drug.

France or Italy.

gord.

of Italy

At the same time convertible insecured loan stock worth £1.6m would be converted into new ordinary shares, along with 26m convertible prefer-

In addition an open offer of 175m new ordinary shares would be made to all existing shareholders at 1p. Yesterday the shares closed at 2%p. After the completion of the

plan in four years there would be 1.6bn ordinary shares in issue. The banks would own between 64 and 71 per cent of the company, depend-ing on the take up of the open if the open offer were not taken up, existing shareholders

would have 9.9 per cent of the share capital, preference share-holders 9.5 per cent and convertible imsecured loan stock holders 4.8 per cent. Manage-ment share option schemes account for the remaining 4.8 er cent.
Under the plan, gearing at

the year end would have been 101 per cent, compared with an actual level of 218 per cent.

1991 Soughe: FT Gra

late 1980s following rapid expansion through acquisi-

Mr Michael Ward, former chairman and chief executive. Jeremy Howarth and Mr George Hendry, were charged in October with conspiracy to defraud, conspiring to create a false market in the company's shares, and theft.

Mr Ian Rock, chief executive since 1991, said yesterday that the group had virtually completed its withdrawal from continental Europe and sold its non-performing UK units. Mr Bastin said the group

now had a good core busine - "but clearly we are in the survival business still". The group operates disco theques and pubs aimed at the youth market, owns the

Maygay amusement arcade Operating profits were £8.43m, up from a previous

Healthcare side behind rise to £19.1m at AAH

By Catherine Milton

the diversified distribution company, lifted pre-tax profits to £19.1m for the six months to September 30, against £17.5m, in spits of lower trading profits in two small divisions.

The Anglo-American health-care group is exchanging co-marketing rights for two of its Turnover improved to 2773.im (£679.7m).

The board declared an interim dividend of 8p (5.8p) and blamed difficulties in the medicines for development and marketing rights for a drug from Recordati, Italy's eighth-largest drugs group. SB is licensing in a series of, alpha-receptor antagonists divisions for a drop in earnings per share from 15.40 to 14.70. The reduction in the perforbeing developed by Recordati, including REC 15-2739 which mances of our environmental and distribution services diviis in early stage developm

sions, and the absorption of reorganisation costs, have inevitably dampened earnings performance in the first half," said Mr John Padovan, chair-

man

solid performance and growth through expansion and otherwise in our health division. not performed so well this year are likely to return to substan-tial profitability in the future." The company's healthcare

lifted trading profits to £16.6m (£13.9m) on sales up at £842.7m Retail sales were £46.4m (£22m). Over the period AAH acquired 24 new retail pharma-cles at a cost of £5.6m, bringing the total to 235. A further 11

business, its largest division,

Environmental services contributed 22.4m (£3m) to trading profits on sales of 288.4m (£84.7m) as wet weather and a reorganisation compounded

directors and their families

Sterling Industries

Sterling industries, the engi-

half year to September 30.

down at £1.69m

NEWS DIGEST

the deleterious effect of a weak

Distribution services, into which the consumer products division is now being inte-

(242m) and gearing rose to 37 per cent. Interest payments were £2.5m (£2.2m). Net cash flow from operating activities was negative at £4.7m compared with an inflow of 216m

The company said the difference was partly related to timing but that the working capital in the pharmaceuticals

for the next generation.

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less we do something

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Ecosys -the new generation of printers

J Foster cuts loss to £921,000

John Foster & Son, the worsted and mohair cloth manufacturer, cut pre-tax losses from £1.9m to £921,000 for the half year to August 31. Turnover on ries received approval from the US Food and Drug Admin-istration for its drug Hylrin. It will compete directly will

continuing operations was lower at 53.58m, against 210m. During the period manage-ment continued to slim down the business and further asset sales, including properties, were planned in the second

The number of employees now totalled 300 compared with 580 at this time last year and by the year end this should have stabilised at about

US, 10m suffer urinary prob-lems due to BPH. Some ana-The company warned, how-ever, that demand from tradilysts believe the potential worldwide market for BPH. tional merchant customers, particularly in Europe and drugs could reach \$10bm Japan, was not good, while there were a lot of cheap sell-(£6.7bn) a year. Mr Jean-Pierre Garnier, SB's executive vice-president pharmacenticals, said: "We see these compounds as being complementary to epristeride and an important addition to ers about, particularly from

Losses per share were 8.40 (16.9p).

Tomkinsons ends vear at £1.13m

Continuing its improving trend, Tomkinsons, the yarn and carpet group, reported a 7.8 per cent improvement from £1.05m to £1.13m in pre-tax profits for the year to October

The advance was achieved on turnover up from £19.7m to
£20.5m, with exports growing
by 24 per cent to £1.7m
Mr Lowry Maclean, chairman, said the advance had

been achieved in the face of increasingly tough competition. The increase in exports and in the group's main Mr Tomkinson branded business were particularly pleasing, he

Earnings per share improved to 12.2p (10.3p) and a same again final of 8p is proposed to maintain the total at 11.5p.

Policy Portfolio advances 16%

industry and the fact that it had a particularly good result Policy Portfolio, the market-maker in second hand endowment policies which joined the Packaging machinery profits main market in July, yesterday were slightly down and losses at special steels were cutreported a 16 per cent rise in pre-tax profits from £370,000 to 2429,000 in the six months to pressure remained on margins but orders were now at the September 80.

Turnover grew to £5.31m (23.56m) and included £206,000 of policies purchased on "arms length" terms by certain

calls for Expenses more than doubled to £431,000 (£213,000) as a result of employing more staff - per-ticularly in the sourcing £10.2m department - and higher marketing costs, to pave the way via rights

Earnings per share fell from 4.5p to 4.3p, An interim divi-dend of 1.5p is declared.

neering group with a 9.7 per cent stake in Caledonia Investto 170p yesterday.

Earnings per share rose from 4.87p to 4.82p and the interim dividend is lifted from 1.5p to cent of the issue. Turnover was down from

£18.5m to £18.3m. Amber Industrial the issue.

improves to £2.43m Amber Industrial Holdings, the manufacturer and distributor of speciality chemicals,

reported pre-tax profits ahead from £1.47m to £2.43m for the six months to September 30. The outcome was boosted by a profit of £724,000 on the sale of Causeway Steel Products and was achieved on turnover up from £9.48m to £11.2m. Earnings per share rose to 42.5p (20p), or 24p (20p) adjusted. The interim dividend is increased to 60 (5.5p).

Warnford Invs dips to £3.47m

Warnford Investments, the property investment group, saw profits before tax dip to £3.47m in the six months to

June 24. The outcome, which com-pared with profits of £3.67m last time, came from gross rent and service charges of £5.79m

After tax and minorities, earnings per share emerged at 6.01p (6.35p). The interim dividend is maintained at 2.75p.

Rise at Leveraged **Opportunity Trust**

Leveraged Opportunity Trust lifted net asset value per share by 28 per cent, from 99.3p to 127.4p, over the 12 months to September 30.

The company, managed by JO Hambro, reported a net deficit of £77,000 (profits of £10,000), resulting in losses of 1.02p (earnings of 0.13p) per

Tay Homes, the Leeds-based housebuilder, is seeking to raise £10.2m net via a 1-for-3 rights issue to strengthen its balance sheet and provide finance for continued expan-

Up to 7.3m new ordinary shares are to be issued at 145p apiece. The shares slipped 4p

ments, saw pre-tax profits dip from \$1.88m to \$1.69m for the Mr Trevor Spencer, chairman, together with Mr Norman Stubbs, deputy chairman and chief executive, are sub-scribing in aggregate for 1.48m new shares, 20.2 per

The belance is underwritten by Kleinwort Benson Securi-ties, who are also brokers to

Tay's last cash call was in 1987. Since then the number of units sold per year has risen from 540 to 1,107. The landbank has grown from plots available for 2,000 units to plots for some 4,950 units. Following an autumn period, which was not signifi-

cantly different from the pre-vious year, unit sales together with sales reservations by mid-November had increased by more than 10 per cent. The directors said the 1993-94 results "should be pos-itively affected by a continua-

tion of the current reduction in selling and promotional costs per unit, a lower propor-tion of sales from slower-selling and low margin sites and the fact that the group will be selling from a larger number of sites."

Profits for 1992-93 fell from £4.8m to £3.1m pre-tax on sales of £69.6m (£72.4m).

Merivale Moore property deals

Merivale Moore, the property company, is selling £7.5m of commercial property interests and is acquiring two commercial property portfolios for £12.75m.

The disposals will mean a loss of just £65,000 a year in rental income, the company said, mainly involving the sale of Sovereign House, Cambridge. The other disposal is of a land holding in Oxfordshire and both will be completed next March.

The acquisitions will add £1.47m in rental income in a full year.



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27

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jham

The proposals will be put to in Dublin. About 30 per cent of the company is now held by European Leisure, which

runs the Hippodrome in Leices-ter Square and the Camden

Riley snooker clubs, and designs and manufactures

grated, contributed £900,000 (£1.3m) to trading profits on sales of £46.2m (£37.6m). The replacement for a contract had been delayed and another incurred a significant

Average net debt was £59.8m had been acquired since the

Tay Homes

Cocoa prices surge on Ivory Coast worries

By Deborah Hargreaves

The cocoa market surged yesterday in busy trading in spite of the New York market being closed for the Thanksgiving holiday. The March futures contract at the London Commodity Exchange gained £29 a tonne to close at the day's high of £1,048 a tonne as traders continued to express concerns about the political situation in the Ivory Coast - the world's

Fears for the health of Ivorian President Houphouet-

total blackout on news concerning him following rumours earlier this week that he was dead. On Monday, near March coffee prices reached a high of £1,056 a tonne, as the market feared political unrest in the Ivory Coast, which has been one of Africa's more stable

Cocoa prices have been plies. buoyed for several months on reports of a deficit in this year's crop. The low estimates for the cocoa harvest have since been upgraded, but the market still believes that the past two years of production

deficits could augur a longer term trend.

There are still problems associated with this year's Ivory Coast crop, with reports of poor quality, some late harvesting and a shortage of bags. At the same time, consumption is increasing and processors are eager to stock up on sup-

"What you're seeing is that the people who need cocoa are doubling up on their cover so that if they don't receive the physical delivery, they could at least take the futures instead", said Mr Tony Chadwick, cocos

trader at Prudential Bache, the London securities house.

But he sounded a note of caution about the bull run. "The higher the price goes, the more likely that countries introduce cocoa butter substitutes," he warned.

Members of the Cocoa Producers' Alliance have agreed to restrict output in an attempt to build on the recent rise in prices. But Indonesia, a large producer but not a CPA member, is refusing to co-operate and is increasing its own production, which could jeopardise the success of the scheme.

• The CPA agreement has no future and will not work. Brazilian cocoa traders insisted yesterday, reports Renter from

Alliance members, including Brazil, agreed on Wednesday in Guayaquil, Ecuador, that each would limit its annual production to its average over the past three years.

But Brazil's traders dismissed the plan. "I suppose they're going to tell the trees to stop growing cocca," said one. "It's a completely stupid plan and when I say that, I'm

The agreement still has to be approved by the CPA's council of ministers in January before it can come into effect, but Brazil's exporters said that even if that happened, it would not be a guarantee that the plan would work

"Maybe the agreement will be signed but even so, I can't see any way it will actually function," said one dealer. "It will probably take a few years just for everyone to agree on what is their average for the last three years. How are you going to control what each

Caribbeans relieved at capping of Mexican sugar exports to US

By Canute James in Kingston

their United States market to Mexico when the North American Free Trade Agreement is implemented, are breathing power more easily following the capping of Mexico's exports to the US for the first six years of the

The Caribbean exporters, whose production costs have consistently outstripped world market prices, have managed to preserve their industries with preferential prices paid for shipments under quota to the European Union and the

Pressure from US legislators representing sugar producing states has led to a cap of 7,258 tonnes a year on Mexican

sugar exports to the US for the first six years of Nafta. Caribbean producers, exclu-ding Cuba, have a total US quota of 225,508 tonnes for the 1993-1994 crop year, following a 16 per cent reduction of last year's quota by the US Department of Agriculture. The holders of US quotas are Barbados, lize the Dominican Republic, Guyana, Jamaica and Trini-

dad and Tobago.

There is some doubt as to whether the Mexican industry can reach the degree of effi-ciency which will allow it to produce significantly more than its quota in the short term," said Mr Frank Downie, chief executive of the Sugar Industry Authority of Jamaica. "Current quota holders are unlikely to be affected by the Mexican industry for many

The Caribbean sugar industry had feared that the implementation of Nafta would have allowed Mexico's sugar industry unlimited access to the US, depriving the Caribbean producium of a valuable market.

Under the new arrange-ments, Mexico will be allowed to ship 25,000 tonnes per year to the US market if its industry produces a surplus. After the first six years, the limit will be raised to 150,000 tonnes and the market will take everything produced if there is a surplus or two consecutive years then.

The US and Mexico are to nhase out barriers to sugar

trade over a 15-year transitional period, starting next Caribbean sugar producers, year. During that period, who had feared the loss of Mexico will be able to export more than its current quota of 7.268 tonnes to the US only if it becomes a net exporter of

The US and Mexico agreed to consider Mexico's consumption of high fructose corn syrup production in determining whether the country was a net sugar exporter. That was a response to concern in the US industry that Mexico would have a sugar surplus if it substituted high fructose corn

sýrup for sugar. The Caribbean industry is not unduly worried about the Nafta provisions that allow Mexico to export up to 250,000 tonnes a year to the US if the country becomes a net exporter. The US quota holders feel relatively safe from these arrangements," said Mr C Downie. "Not many in the snear industry expect Mexico to become a net producer of sugar for many years to come." Mexico is expected to import about 440,000 tonnes of sugar

next year. Consumption is expected to rise steadily, increasing demand for imports and putting the country further away from being a net producer. Caribbean industry officials say that even if the Mexican

industry can ship 250,000 tonnes to the US each year, the reduction will be shared by all current quota holders. • The combination of a tight supply/demand balance and "an ever widening circle of ...

uncertainty" are continuing to support world sugar prices, according to London trader E.D. F. Man, our commodities staff writes. But this builish scenario is "danted" by the possibility of

an escalating surplus of white (refined) sugar, the trader says in the latest issue of its monthly Sugar Situation "A tight raw sugar situation may emerge particularly in the

first half of next year," the report says. But "the apparently ever tightening white sugar supply picture was not justified by offtake, in the short term at least, in the short term at least."

New management pulls South African gold mine back from brink

By Kenneth Gooding Mining Correspondent

A new management team claims it is breathing new life into East Rand Proprietary Mines, one of South Africa's oldest and deepest, which has been at death's door for many urs, was about to default on its loans next month and faced

The South African government has in the past rescued ERPM from near-bankruptcy, conscious of the fact that it

ounces of gold in its 100 years of operation and that there was probably much more to come

Mr Glen Laing, recruited five months ago as managing director, said in London yesterday that a new mine plan would boost output from 257,000 ounces this year to nearly 385,000 ounces in 1997. A combination of higher ore grades and increased productivity would cut mining costs from \$330 an ounce to \$375 during those four years.

won agreement from the said Mr Laing. Mr Deon Le unions to move to seven-day working instead of the five days traditional in South African mines. This allowed 30

shifts to be worked instead of Also a bonus scheme was making a substantial impact on productivity. The schen was based on one used at the Harmony gold mine where productivity - measured in square metres of ore mined per man improved by 46 per cent in the two years since it was intro-

Roux, previously mine manager at Harmony, is now mine manager at ERPM, The scheme encouraged more effective mining by link-

ing bonuses to the rate of advance into the mine face and the grade of the ore produced. re was also a profit-sharing bonus for all employees. ERPM, located 25km south

east of Johannesburg in the town of Boksburg, once employed 20,000. Now the workforce totals about 6.000. The underground mining lease is the largest of its kind in the world, covering 13km by 8km, of which only half has been mined so far. The gold comes from ore bur-

ied 3km to 3.5km deep. The problems of mining at these depths - rock instability, high temperatures and high humid-– make ERPM a high-risk mining operation.

Mr Laing said ERPM had

built up huge debts but the money had gone to complete the so-called Far Rast vertical shaft system that gave access

in many areas. Now the com-pany is raising R553m via a rights offer which will leave it debt free with about R100 surplus cash in the bank. ERPM is certain of collecting the money because the issue is fully underwritten by Paribas Capital Markets (about 60 per cent of the shares are owned by private French investors) and First-Corp Merchant Bank. Mr Laing was with a "road show" making presentations to investors in the US, London and

Chilean copper giant faces 'reform or die' challenge

Chuquicamata is struggling with falling ore grades, high costs and low prices, writes David Pilling

A be little logical explanation for the existence of Calama. A thriving town of more than 100,000 inhabitants, it is bemmed in on all sides by the Atacama desert, the driest place on earth. It is only on careful inspection that one notices, far in the distance, the belching chimney stacks of Chuquicamata, the world's largest copper mine, on

which Calama depends. Without Chuquicamata - the 80-year-old, state-run mine that accounts for 6 per cent of global copper production - the town would sink back into the desert sands. Although the mine employs slightly fewer than 10,000 workers, more than half Calama's population is economically dependent on it.

It is against this background that falling ore grades and high production costs at the mine, coupled with slumping copper prices, become of great concern. Worrying too is the assessment of Mr Raul Meléndez, head of Chuquicamata's finance department, that: "We have to change the way we operate within five years or we're going to die a natural

Part of that change, provoked by growing competition from Chile's private sector mines, involves the break-up of Chuquicamata from next year into seven autonomous business units. The scheme, described as "highly sensitive" by managers, is under discussion with the mine's powerful

The idea is to create an "internal market" by splitting the operation into separate profit centres that will "sell" services to one another.

COMMODITIES PRICES

according to Mr Gilberto Ortega, a member of Chuqui-camata's finance team. The scheme aims to spotlight inefficiency, judge management per-formance and introduce mar-

ket incentives. "The important thing is that each unit should have its own management and make its own profits. Poorly performing units will have to change or disappear," Mr Ortega says. After a two-year experimental phase, units will be permitted to sell services outside the

It is not yet clear how the theory will work out in practice, given that Chuquicamata operates as an organic process. Rather than expose each unit to the profit-or-die laws of the marketplace, it seems likely that the new structure will be used to pinpoint areas where savings can be made.

Unions are likely to oppose such reforms, which may be regarded as a potential assault on jobs and pay. Worse still. the planned reorganisation smacks of privatisation by steelth.

a "cultural shift" among Chuquicamata's workers, who they say are increasingly open to change. Evidence of this came earlier this year when workers signed a three-year wage agreement. Unlike 1991, when there was a two-week strike in pursuit of better pay and conditions, workers this year settled for a deal that merely kept pay in line with

There is growing recognition that Chuquicamata must become more efficient if it is to survive, managers say. Such sentiments have been sharp-



nata, the biggest copper mine in the world, accounts for 6 per cant of global production

month of Codelco, the stateowned copper concern, with a by extremely low-cost metal US/Canadian consortium for the development of the huge El mine's rich oxide deposit.

s Codelco's first joint venture, the \$1bn proj-Lect is being trumpeted as a great leap forward. Chile will receive \$404m in return a 51 per cent stake. Without investing so much as a peso. the country will collect 49 per cent of profits. Moreover, El Abra copper will be produced at 40-45 cents a pound, apared with an average of 69 cents over Codelco's four

Chuquicamata, with production costs of about 58 cents a pound, remains Codelco's most

aned by the association last cost-effective mine. However, that figure is partly disguised derived from Mina Sur, the

Copper from Chuquicamata's main suiphide mine, a terraced pit measuring 2km by 4km, is increasingly expensive to produce as the mine deepens and ore grades decline. Standing beside the gouged and dynamited hole - at the base of which towering trucks appear the size of ants - it is easy to appreciate the difficulty of

Reeping costs in check.
In addition to the mine reorsation, managers intend to cut staff. They hope that through early and disability retirement, plus a hiring freeze, the workforce can be reduced by nearly 1,500 to 8,575

Softs continued

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10.63 10.83 11.17 10.83

10.80 10.92 11.17

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by 1995. There is also likely to be a crack down on what managers regard as lost time dur-

Chuquicamata's non-core infrestructure, which includes housing, schools and sports facilities, is also to be scrutinised. The site hospital alone, which guarantees free medical treatment to staff and their families, costs \$15m a year. "We're looking into ways of reducing these costs," says Mr

Chile's government, which controls Codelco's investment budget, has made it clear that it expects cost-cutting. Mr Eduardo Frei, almost certain to be president after elections in December, recently told an election rally: "Those copper companies that are incapable

cents a pound are going to collanse",
Politicians are also using El

of producing at less than 60

Abra as a rod with which to beat Chuquicamata, the management of which is desperate to develop the replacement ore odies of Radomiro Tomic and Mansa Mina. Currently the law prohibits these deposits. regarded as belonging to Chuquicamata, from being developed in association with foreign partners. But no one doubts the desire of many politicians to scrap that stipula-

"If Codelco wants to develop new mines on its own it will have to transform itself radically in terms of productivity and efficiency," said Mr Alejandro Foxley, finance minister. As the government diverts money to social programmes, the budget left over for Codelco is barely sufficient to implement environmental clean-ups and to keen mines.

licking over. In the meantime, it is not merely the inhabitants of Calama who are relying on the continued profitability Chuquicamata, the backbone of the Chilean economy. Although low copper prices have severely dented profits, Chuquicamata still accounts for around 7 per cent of Chile's

GDP. Whether the government opts to keep the mine entirely in state hands or to broaden its scope for attracting foreign capital is still up for debate. What is certain, however, is that the next administration will do all it can to prevent its most important asset from suf fering a slow and painful

\$12.81-2.98

\$160-162 \$165-169 \$68-60 \$143-145

LONDON SPOT MARKETS

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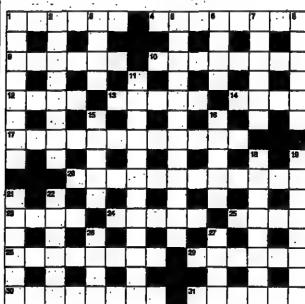
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M OIL PRODUCTS NV

CROSSWORD

No.8,316 Set by QUARK



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ings? (6) 30 Noel made fizzy drink (8) 31 Long account brought about short sleep (6) 1 Bowled perhaps? Correct -

29 More reasonable anger when in distant surround-

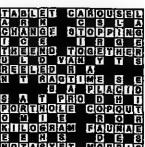
entirely (8) Come together to study to get an edge (8) 3 The game's up for the ring

repeat (5)
16 Some ethyl ether can produce forgetfulness (5)

18 Forward the cricket score being pursued (2,3,3)
19 Sweet? Fruit - Just a small quantity (4.4) 21 Of a group bowled in the

20 Influence for reform produced if down perhaps?
(4.2.6) 23 Actual old coin providing 26 The final word (4) 27 The girl's getting over a feetive occasion (4)

Solution 8.315



JOTTER PAD

4)

Business Executives in Japan read

M. M.

"Nikkei"

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BASE METALS LONDON WETAL EXCHANGE Prices from Amalgamated Metal Trading) M ALUMINIUM, 98.7 PURITY (5 per tonne) 8 mithe

1656/1649 1650.5-1

	CSSI	o marie
Close	103 9-1 0	1059.5-60.6
Previous	1038-9	1059.5-80
High/low		1068/1058
AM Official	1040-0.6	1061-1.5
Kerb class		1057-7.5
Open int.	250,151	
Total daily lumover	48,866	
M ALUMINIUM ALL		
- ALUMENTON ALL	TI IS DO FRAME	
Close	923-5	946-7
Previous	932-4	MAC-19
High/low	928/926	955/945
AM Official	920-3	942-5
Karto cicoa		945-50
Open int.	2,552	
Total daily turnover	603	
III LEAD (\$ per tonn	m)	
Closa	403-4	416.5-7
Provious	400.5-1	414-5
High/low		417/416
AM Official	400-3.h	416.5-7
Korts close		416-7
Open Int.	26,130	
Total daily turnover	2,914	
M NICKEL (S per to	nnei	
Clase	4681-3	4740-5
Previous	4585-90	4745-8
Hajivilow	4690	4770/4720
AM Official	4690-1	4750-5
Kerb close		4765-75
Open int.	47,171	
Total daily turnover	2,494	
# TIN (5 per torres)		
	4505.00	403E 40
Close	4585-90	4635-40
Previous	4560-70	4610-20
High/low		4665/4590
AM Official	4580-5	4632-5
Kerb class		4660-5
Open int.	15,504	
Total daily turnover	1.782	
W ZINC, special No		Increl
Clase	910.5-20.0	937-7.5
Provious	915. 5-6 .5	930 5-4
Hich/low		940/936
AM Official	919-9.5	937-7.5
Korb close	0.00	936-7
Open int.	82,067	0-V-1
	15.151	
Total daily turnover		
COPPER, grade /	A (Siper tonne)	
Close	1631.5-2.5	1654-5
Previous	1629.5-30.5	1653-3.5

High/low AM Official

Base metals continued LARE AM Official CVE rate 1.4880 Spot: 1,4884 3 make: 1,4816 6 notes: 1,4781 9 miles: 1,4714

PRECIOUS IN LONGON BUIL (Prices supplied by	JOH WARRET	
Gold (Troy oz.) Close	\$ price 377,40-377.80	
Opening Morning Its Afternoon like	377.10-377.50 377.10 3778.0	253.820 253.832
Day's High Day's Low Provious close	377.80-378.20 376.10-376.50 375.80-376.20	
Loco Ldn Mean G	.2.89 6 month	
2 months		US ets equiv
Spot 3 minutes	312.30 316.05	484.20 487.60
ii mariha 1 year Gold Coina	319.90 327.55 \$ price	471.40 479.95 2 souty.
Krugovenni Moglo Leef	379.00-382.00 388.75-391.20	255.00-258.0
New Sovereign	88.00-91.00	59.00-62.00

_	RGY	PE (M				
	Sett price	Day's change	High	Low	Open lat	Yol
les.	14.58	標	14,70	14.16	78,319	47,97
Feb	14 75	-57	14.95	14.45	20,637	12,73
	14.99	-56	15.11	14.70	10,350	3,213
ler -	15.24	-54	15.35	14.91	5,804	1,83
Mau.	15.45	-49	12.21	15 35	9 100	35

•	DE OIL	PER	transi)			
_	Sett	Day's			Орея	
	price	change	High	Low	int	Yet
	14.58	- 49	14,70	14.18	78,319	47,975
	14 75	-57	14.95	14,45	20,637	12,734
	14.99	-56	15.11	14,70	10,350	3,212
	15.24	- 54	15.35	14.91	5,804	1,832
	15.45	-48	15.51	15.05	3,109	351
	15.61	-44	15,70	15.27	1,727	352
				1	34,253	66,579
1	CIL PE	D/Mary	0			
	162.00	-4.50	162,00	158.50	36.533	10,679
	157,75	-6.25	158.50	155.50	29,898	10,490
	158.51	-6.25	198.25	153.50	15,813	
	153.25	-6.50	153.76	151.25	11,151	3,913
	152.25	-5.75	152.76	150.25	4,656	2,321
	152.5	-5.75	153.00	151.00	2,931	723
					12.863	33.85

GRAINS AND OIL SEEDS WHEAT LCE (2 per torme) +0.20 101.75 101.55

بعثنا	103.00	+0.25	103.60	103.00	1/03	65
Juni	104.45	-		-	103	-
Sep	W1.DQ	-	-	-	80	•
New	91.90			-	220	
Tech					4,911	135
E BAS	STSA FC	ERP	T SOUTH			
Jan	103,75	-0.10	104.00	100,40	383	47
Mar May Sop May	105.75		108.90	105.00	468	20
May	107.40	-			196	-
Sép	93.25			-	3	•
Tige	95.00		-		10	-
Jac		-	-	-	-	-
Tetal					1,054	67
PO)	ATOE	LOE	/lonnel			
	101.0		-		20	
Apr	89.1	+0.4	89.2	89.0	1,516	5
May	107.5		-		398	4.
200	125.0	-		-	2	-
Have	85.0	•	•	-		-
	1020	-	-	•	-	-
Total					1,556	5
	B) THDE	FFEX)	LCE (\$	Q/index	pointj	
Hav	1295	-5	1274	1265	269	175
Dec	1255		1265	1205	197	81
4=	1265	- 4	1259	1255	1,075	30
ABT	1273				699	
Jan .	1152	+8	1154	1148	228	12
Det	1325	+5	1325	1325	189	- 1
Telas					2,661	140
					4	
SOF	TS					
	COA LCE	Phon	rei.			
- 00		PATON				

OF	TS					
000	OA LOS	2/tores	ě			
		lay's			Open	
	price d	Hinge	High H	LOW	int.	Yol
	995	4.22	1000		11,389	839
•	1049	+29	1050		45,319	
•	1049	+25	1049		17,481	
	1047	+25	1044	1027	6,368	237
	1043	+25	1043	1023		89
	1023	+22	1023		13,026	208
				1	46,466	9,811
COF	PETE LOS	SADO	Ň.			
	1252	-	1270	1264	162	31
	1298	-7	1272	1285	14,822	308
	1238	-1	1239	1233	13,528	472
,	1209	-1	1211	150	5,035	62
	1205	-2	1210	1205	377	24

	91.90		:		220	:	1929
					8,911	136	Her
ut	TSA FCE	_	_			_	May
	103.75		104.00		353 468	47	Ang
	105.75 107.40	:	100.20	1000	196	20	Oct Dec
	93.25	- :		- :	- Ta	- :	-
	95.00		-		10		Total
		-	-	-	-	-	
					1,054	67	
77.	ATOE L	压型	tonnel				
	101.0	.:			20	•	
	89.1	+0.4	89.2	100	1,516	B.	LO
	107.5 125.0	•	-	:	398		81/16
	85.0		:	-		-	
	1000	:	- :		:	- :	(99.7
					1.696	5	1025
Œ	CHT (BII	FEX1 1	CE (\$1	Q/index	pointi	_	1050
_		_				-	1075
	1295 1256	-5 -2	1274	1265	269 197	15 61	. 0
	1255	- 4	1259	1255	1.075	36	0.00
	1273	7	1000	124	699	-	1800
	1152	+8	1154	1148	228	12	1860
	1325	+5	1325	1325	169	33	1700
					2,661	149	# C
					2,661	149	
					2,661	149	1200 1200
					2,861	149	1200
					2,961	149	1200
					2,961	149	1200 1250 1300 M. C
F	TS				2,661	149	1200 1250 1300 M. C. 925 . 950 .
•	TS				2,661	149	1200 1200 1300 M. C. 925
•	OA LCE	_	MQ			149	1200 1250 1300 M. C 925 . 950 . 975 .
•	OA LCE Sett	(II/Lore Day's Mange	High	Low	2,661 Open jok	149 Vol	1200 1250 1300 M. C 925 . 950 . 975 .
•	Sett price	Day's bange	Sigh		Open int	Vol	1200 1200 1300 M. C 925 . 975 . 8. 8: 1860
•	Sett price of 995	Day's hange +22	Sigh 1900	980	Open jot 11,889	Vol 838	1200 1250 1300 M. C 925 . 950 . 975 .
•	Sett price t 995 1049	Day's bange +22 +29	#gh 1000 1050	980	Upon ref 11,889 45,319	Vol 838 8473	1200 1200 1300 M. C 925 . 975 . 8. 8: 1860
•	Sett price of 995	Day's hange +22	Sigh 1900	980 1020	Upon ref 11,889 45,319 17,481	Vol 838	1200 1200 1300 M. C 925 . 975 . 8. 8: 1860
•	Sett price t 995 1049 1049	Day's shange +22 +29 +26	#igh 1900 1050 1049	980 1020 IUU	Upon sqt 11,889 45,319 17,481 6,368	Vol 838 8473 2031	1200 1200 1200 1200 1200 1200 1200 1000 1000
•	Sett price 6 995 1049 1047	Day's hange +25 +25 +25	89gh 1900 1050 1049 1048	980 1020 1000 1027 1023	Upon sqt 11,889 45,319 17,481 6,368	Vol 839 8773 2031 237	1200 1200 1200 1200 1200 1200 1200 1000 1000
•	Sett price 6 995 1049 1047 1043	Day's hange +29 +25 +25 +25	8898 1900 1950 1949 1948 1943	980 1020 1000 1027 1023 1006	Upon jnt 11,889 45,319 17,481 6,368 9,678	Vol 839 8473 2031 237 89 208	1200 1250 1200 1200 1200 125 125 125 125 125 125 125 125 125 125
oc	Sett price 6 995 1049 1047 1043	127°1 241199 +25 +25 +25 +25 +25 +25	859h 1900 1950 1949 1945 1943 1923	980 1020 1000 1027 1023 1006	Upon jot 11,369 45,319 17,481 6,358 9,578 13,028	Vol 839 8473 2031 237 89 208	1200 1200 1200 1200 1200 125 975 85 1000 1000 1000
oc	Sett price 6 995 1049 1049 1049 1043 1043	127°1 241199 +25 +25 +25 +25 +25 +25	859h 1900 1950 1949 1945 1943 1923	980 1020 1000 1027 1023 1006	Upon jot 11,369 45,319 17,481 6,358 9,578 13,028	Vol 839 8473 2031 237 89 208	1200 1200 1200 11 C 925 950 975 1100 1100 1100 1100 1100 1100
oc	Sett price (995 1049 1049 1047 1043 1023	129's 14199 129 129 129 125 125 125 127 127	1000 1050 1049 1048 1043 1023	980 1020 1000 1027 1023 1006	Upon int 11,889 45,319 17,481 6,363 9,578 13,028 146,466	Vol 838 8473 2031 237 83 206 9,811	1200 1200 1200 1200 925 950 975 8 8 1860 1860 1860 1860
oc	Sett price t 995 1049 1047 1043 1023 1252 1259 1238	129/11 hange +29 +25 +25 +25 +22 +27 -27 -7	#igh 1000 1050 1049 1043 1043 1023	900 1020 1000 1027 1023 1006	Upon Fol: 11,989 45,319 17,461 6,363 13,028 148,466 162 14,622 14,622	Well 839 5473 2031 231 206 9,811 31 308 472	1200 1200 1200 1200 1200 925 950 975 8 8 1860 1860 1860 1860 1860 1860 1860
oc	OA LCS Soft price of 995 1049 1049 1047 1043 1023 FEE LCS 1289 1236 1236	129/11 14199 1429 1429 1425 1425 1425 15/1001	#igh 1000 1050 1049 1043 1043 1023 1270 1272 1239 1211	900 1020 1000 1027 1023 1006 1264 1285 1233	Upon jot 11,989 45,319 17,491 6,363 9,578 13,026 146,466 152 14,622 13,625 5,035	Vol 839 8473 2031 237 89 206 9,811 31 3672 52	1200 1200 1200 1200 925 . 950 . 975 . 8 81 1800 1850 1850 1850 1850 1850
oc	OA LCS Sett price t 995 1049 1049 1047 1043 1023 FEE LCS 1282 1298 1219 1215	Bay's strage +29 +25 +25 +25 +25 -2 -7 -1 -1	#igh 1000 1050 1049 1048 1063 1023 1270 1272 1239 1311 1210	980 1020 1000 1027 1023 1006 1264 1285 1233 1200 1266	Upon nt 11,889 45,319 6,368 9,578 13,028 146,466 162,466 14,622 14,622 13,528 5,035 377	Vol 839 8473 2037 89 208 208 9,811 31 308 472 54	1200 1200 1200 1200 1200 925 950 975 8 8 1860 1860 1860 1860 1860 1860 1860
oc	OA LCS Soft price of 995 1049 1049 1047 1043 1023 FEE LCS 1289 1236 1236	129/11 14199 1429 1429 1425 1425 1425 15/1001	#igh 1000 1050 1049 1043 1043 1023 1270 1272 1239 1211	900 1020 1000 1027 1023 1006 1264 1285 1233	Upon st 11,869 45,319 17,461 13,025 146,466 162 146,466 162 146,466 162 146,466 162 146,466 162 146,466 162 162 162 162 162 162 162 1	Vol 839 5472 2031 2041 338 472 52 4 5	1200 1200 1200 1200 1200 925 850 975 81 85 1800 1800 1800 1800 1800 1800 1800 18
oc	OA LCS Sett price t 995 1049 1049 1047 1043 1023 FEE LCS 1282 1298 1219 1215	Bay's strage +29 +25 +25 +25 +25 -2 -7 -1 -1	#igh 1000 1050 1049 1048 1063 1023 1270 1272 1239 1311 1210	980 1020 1000 1027 1023 1006 1264 1285 1233 1200 1266	Upon nt 11,889 45,319 6,368 9,578 13,028 146,466 162,466 14,622 14,622 13,528 5,035 377	Vol 839 8473 2037 89 208 208 9,811 31 308 472 54	1200 1200 1200 1200 1200 925 925 975 1100 1000 1000 1000 1000 1000 1000 10

May Ang Oct Dec	281.30 285.16 272.60 272.10	-0.10	2/2.00	272,00	1,477 1,899	
Mer Yotal	274.20	•	•	•	15 13,736	
1.00	noN.	~~~	DET.		· i	
	DON sice \$ \$				• • • •	
M ALU (99.7%)	LME		Jen	Apr	Jan	Āρ
1050	معادل جندی سفادی جندی	- Children	24	86 51 36	11 21 35	18 28 40
III OOP	PER N) LIME		Jan	Abr	Jan	Ac
1860				84 64	13 38 66	25 46 72
COF	RE UCE		Jan	Mer	day.	ш
1250		بيد عاسره	51 28 14	101 77 58	12 26 55	64 90 12
	OA LCE		Mar	May	Mer	Mę
950			115 96 82	127 111 96	21 29 38	29 38 48
	RY CRUE			Feb		Pe
1800			15 6 4	28 12	131 - -	11
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The n kg. w 30pc back	nativest indicator nd at Melbour of the offering	was p octed b	Frems assed ut is pr	ntie to in. The twing a	ourx sets

M COTTO \$373.26 \$128.00 +1.80 +0.50 +0.90 Platinum (per troy cz.) Paliadium (per troy cz.) Copper (US prod.) Lind (US prod.) Tin (Yusia Lumpur) Tin (New York) Zino (US Prime W.) 79.5c 32.75c 11.60r -0.21 213.00 Urtq. 121,98p 91,71p 73,84p \$282,30 \$297,00 Cattle (five weight)† Sheep (five weight)† Figs (five weight) +2.74° +5.17° +3.20° Lon. day sugar (raw) Lon. day sugar (wte) Tate & Lyle export \$285.0 £109.50y £123.00 Wheat (US Dark North 2175.00 Rubber (Dec)* Rubber (Jan)* Rubber (KL RSS No1 Jul) 60.25p Coconut Oil (Phil)§ \$505.0t +15.0 +5.0 Paim Oil (Melay, Copra (Phil)§ Soyabeans (US) \$317.50 \$205.0 56.20c INDICES REUTERS (See 1MO/31 a100 Nov 24 1618.8

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FT-SE 100 Index reaches for the 3,100 mark

By Terry Byland, UK Stock Market Editor

The closure of the New York markets for the Thanksgiving Day break left UK equities free yesterday to respond to factors closer to home. A change of view in the options and stock index futures sectors, backed up by favourable company trading news, was enough to send the FT-SE 100 Index in search of the 3,100 mark. At best, the index was within seven points of its target, finally closing 25.9 up at 3.093.1. The December future on the Footsie succeeded in breaking through 3,100 in late trading.

Traders took a cautious view of the sudden recovery in share prices, stressing that the big institutional investors were still unwilling to deal ahead of next Tuesday's

Budget speech from Mr Kenneth Clarke, the UK chancellor of the exchequer. Marketmakers are keeping dealing books closely trimmed and a wave of arbitraging operations from the stock index futures market caught them by surprise yesterday morning.

However, Seaq volume increased to 696.3m shares, from 483.5m on Wednesday, with several basket trades marching across the trading screens. Retail, or customer, business was worth £1.36bn on Wednesday, indicating that underlying activity remains healthy, if not as high as a few weeks ago. The FT-SE Mid 250 Index gained 14.5 at 3,445.2. Weakness in oil shares, following a heavy fall in crude prices after the Organisation of Petroleum Export-

ing Countries failed to cut produc-tion levels, contrasted sharply with

*First Dealings: Nov 15	Nov 29	Dec 13
Option Declarations Nov 23	Dec 9	Dec 30
Leet Dealings: Nov 20	Dec 10	Dec 31
Account Day: Dec 6	Dec 20	Jan 10
New time dealer	go may take er.	plece from t

Account Bealing Dates

the rest of the stock market. Turnover in oil stocks was very heavy as New York's holiday closure put London in the front line. Some analysts suggested that the

oil price collapse, while not good for sterling, would benefit the industrial economies and might bring a stronger trend on Wall Street when it re-opens today. UK traders, who had assumed that Wall Street would remain out of the market equation

until Monday, moved quickly into the blue chip international stocks yesterday afternoon.

The lead was taken by ICI as a leading UK investment bank switched to a highly bullish stance on the shares. Not everyone in the City agreed with Warburg's reasoning but, nevertheless, the jump in ICI shares was worth two points on the Footsie at the end of the day. Reuters moved up smartly on

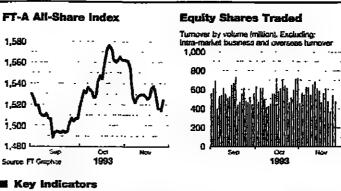
Pharmaceutical stocks were relatively cautious although Glaxo found some supporters. The building sectors found a strong lead in excellent trading results from BPB and, encouraged also by this week's half point reduc-

hopes of strength on Wall Street

tion in domestic interest rates, moved up sharply. While realising that this week's rate cut has effectively ruled out the likelihood of a cut in the Budget. Lik equity strategasts are convinced that there is still room for base rates to come down to 4 per cent, or even lower, during 1994.

But retail and store shares, still wanting to see genuine signs of an unturn in both consumer confidence and spending patterns, made little improvement However, there was a good deal of activity in the brewing sector where hints of a large inter-corporate deal have been circulating.

Traders were inclined to see the performance in the market yesterday as a reminder that, with trading books tight and heavy defensive positions built up in both traded options and stock index futures, share prices can turn very sharply on any change in confidence.



ices and ratio	S				
E 100	3093.1	+25.9	FT Ordinary index	2355.2	+25
E Mid 250	3445.2	+14.5	FT-A 500 p/e	19.74	119.6
E-A 550	1542.6	+11.5	FT-SE100FurDec	3108.0	+38
All-Share	1525.84	+10 63	10 yr Cilt yield	6.70	(6.7
All-Share yield	3.74	(3.76)	York ration	1.93	(1.9
t performing	contare		Warst parformin	a coctore	

Oil & Gas ... +2.5 Insurance (Composite) Metals & Met. Forming Brewers & Distillers +1.5

Strong session for ICi

ICI was at the front of the market yesterday with an advance of 45 to 719p, fuelled by bullish speculation on the prospects for the company's petrochemicals business on the part of S.G. Warburg analyst

Mr Michael Stone. He told Warburg's sales force at the morning meeting that Europe's sthylens producers were likely to succeed in their

Good volume in the futures

market belied a somewhat

order from one leading UK

house, writes Christopher

contract opened in muted

trading, with business being

executed in a narrow range

Calle 374 Puts 2,065 * Und

+

III FT-82 100 MOEX FUTURES (LIFFE) 525 per full index point

IN FT-SE 100 INDEX OPTION (LIFTS) (2002) \$10 per but from point

IN IBURO STYLE FT-SE 100 INDEX OPTION (LIFFE) \$10 per full index point

FT - SE Actuaries Share Indices

Open Sett price Change

3108.0

3126.0

featureless session yesterday

enlivened only by a very large

The December FT-SE 100

EQUITY FUTURES AND OPTIONS TRADING

attempt to control supply and that ICI could benefit to the tune of an extra £100m on its trading profits as early as 1995, His briefing followed a meeting of the Association of Petrochemicals Producers in Europe (APPE), after which most pet-rochemicals groups said they were optimistic about getting agreement to cut back produc

tion next month, Other brokers, even those who are ICI buyers, were keen to knock down the tale. One said. "If the rise is in direct response to the APPE, it is grossly overdone. That is, in our view, a total over-reaction

But UK equity market spe-

Anticipation of a dull day's

business proved shortfived

This sent December smartly

flurry of other buyers to come

The contract immediately

Ett lid Open int.

134W0 2262

forward and encouraged a

however as a large buy order from one UK investment bank was seen in the late morning.

of 2,968 to 2,978.

into the arena.

المحداث

File

38.0 311HB 5067.0 38.5 8125.0 3091.0 38.5 3099.0 3099.0 31111

cialists said that if the plan is agreed by producers, the European Commission still has to grant it approval. Also,

overproduction in ethylene is a global problem, with European manufacturers tending to be smaller and less efficient than those in the US and the Far

Oils savaged

Opec's move to hold its output ceiling at 24.5m barrels a day drew gasps of despair from oil sector specialists and was accompanied by a steep slide in oil shares. The oil sector was easily the worst performer in the FT-SE Actuaries indices.

jumped to a hefty premium

at its best was trading 17

points ahead. Bear covering

was also said also to have

added impetus to the rise,

rest of the session.

12,289 contracts.

Budget, with minds

be muted, domestic

further reinforced.

which in the absence of Wali

Street was maintained for the

The contract finally closed

at 3,108, up 38 points on the

previous session and around

11 points over its fair value.

4. Turnover was a healthy

trading was likely to remain

concentrated on equaring up

with Wall Street expected to

considerations are likely to be

in traded options, turnover

made up of FTSE contracts. The Euro-FTSE recorded turnover of 2,509 controats. Among stock options, BT

followed by British Steel with

1,777 and Redland at 1,428.

reached lust over 37,000. around one-third of which was

positions prior to Tuesday, And

directionless ahead of the UK

currently standing at just over

Dealers said that derivatives

against the cash market and

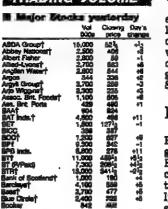
posting a 1.3 per cent decline, against the FT-SE 100's near 1 per cent rise.

Crude oil prices, already sliding before the Opec meeting in Vienna, came under relentless to around the \$14 a barrel level at one point, the lowest level for around five years. Many analysts adopted an extremely bearish view of the short and medium-term outlook for oil prices, saying that the current situation bears a striking resemblance to that of 1986 when Opec failed to get a grip on supply and crude prices fell to around \$8 to \$9 a barrel.

TRADING VOLUME

Specialists said that

although weak oil prices would



Feore Fundament & Colk, LT. Poster)
Fundament Stack, T. General Genera

NFC†
Natifiest Bank†
National Power†
Next West Water†
Northern Elect.
Northern Foods†
Norweb
Pearson†
P & O†
Pildnaton

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inevitably impact on the majors. it would be the exploration and production stocks. such as Lasmo and Enterprise. which would suffer the most. Traders pointed out that Lasmo was by far the most heavily traded stock in the oil sector yesterday, with turnover reaching 13.5m - the highest rose 8 to 553p, Whitbread 2 to 518p and Bass 5 to 477p.

single day's trade since early October. Lasmo lost 6 to 128p. "Lasmo's final dividend is now under extreme threat,' said one analyst, who pointed out that the company had emphasised it would maintain the payment "barring extenuating circumstances"

"It is very likely that we will be looking at extenuating circumstances," was the view of the analyst. Enterprise Oil shares were

equally mauled, closing 151/2 lower at 4391 p on heavy turnover of 1.5m. BP, vulnerable to weak oil prices, performed creditably, closing only marginally easier at 342p, while Shell slipped 3 to 684p.

Drinks alert

Strong suggestions that PepsiCo, the US soft drinks giant, was considering buying Britvic were heard, although company sources later denied the story. In spite of this, analysts said they expected a shake-up to Britvic's unusual shareholdings in the near

PepsiCo already has a 10 per cent stake in Britvic, the other holders being Bass (45 per cent), and Allied-Lyons and Whitbread (22.5 per cent each).

With such a diversity of owners, Britvic's development has heen held back, with some suggestions from brokers that a flotation - which would value the group at around £300m -may be the best option. In a strong drinks sector, Allied

BPB shares were among the market's best performers, climbing 21, or over 8 per cent, to 278p. after turnover of 6.6m, after the group delivered much better than expected interim profits and an increase in the

The BPB figures coupled with reports of an 8.5 per cent year-on-year jump in German housing starts and increasing hopes of another cut in German interest rates triggered a flurry of heavy buying interest throughout the building sectors. Redland and RMC were the big beneficiaries of the German stories, the latter jumping 36 to 878p and the former 22 to 563p after heavy turnover of

A further burst of switching. out of PowerGen and into National Power, as institutions continued to view the price differential between the two stock prices as unsustainable.

The latter closed a shade firmer at 399½p on 5.2m traded but the former retreated 8 to 449p on 3.9m. Respectable results but a

gloomy statement sent Hazlewood Foods into retreat and prompted a raft of downgrades and change of stance from several of the stock's former supporters. The shares fell 7 to

IN NEW RIGHS AND LOWS FOR 1993

NEW HIGHS (50)

AMERICANS (1) Yearly, BANKS (1) FM Bk of Sociated BLDG MARTLS (8) BPB Size Circle, D. 74cc Pt, Brt. Drodging, Caradon Martey, D. 74cc Pt, Brt. Drodging, Caradon Martey, Machalis 64cpc Pt, FRAC, Storme B, Fesher, ELECTRICITY (1) China Light, ELECTROWCG (2) Charles, Dr. 100 Caradon Brass, China Caradon, Dr. 100 Caradon Brass, Moss, F. Scring, MOTELS at LES (1) Rath Cryss, 8-specify, Motels, 14) China in Do Wis, Ferrary Christs, 140 China in Do Wis, Ferrary Christs, Remnig Erng, Mots, F. & C. Erng, 6-tope Cr 10, Caradone Erng Pacidic, De Wis, Jerey Precou, McD Wind, Murray Smit Motel, Disp. South Amer, Fd. Wis, To Irw, Whethoud Irv, MEDIA (4) Anglat TV, Euromoney Public, LVT Southnews, MMSC (1) MotLood Russel, MOTORE (3) EBA, Dison Mitta, Volksengen, Ott. & GAS (3) Annose, Command, Victona Christ Fincl. (2) Caledona Irw., Caradia, PACKO, PAPER & PRINTO (1) App Wiggers Appleton, PROP (2) Granger Warmer Est., SOUTH AFRICANS (1) Tongatz-Huller.

NEW LOWS (20)
BREWERS (2) Grand Mart, Taureon Caler,
ELECTRICALS (2) Boules Hurter, Burnfald, EM
EDN (1) GE, POOD MANUE (2) Husbergod
yorkstre, FOOD RETAILING (2) Goest, IvanScale HEALTH & HEINFALD (1) (Harmoond,
HOTTELS & LESS (2) Brent Visuler: Euro Denny,
European Less, PISCE BRONCERS (1) Alex,
Alex, INV TRUSTS (2) Broadgere (Inv., Murtey
Speit Cap. MTL & MTL FORMING (2) Apolle
McSts, Tripher Lloyd, MSC (1) Shanka
McFean, STORES (1) Banca,

141p, with analysts predicting a dull time for the immediate future. Revisions of forecasts for the full-year came in around £52m, a fall of some 10 per cent. A trade of 7.5m shares at

335p in United Biscuits - over 1.5 per cent of the company threw the company's brokers. financial PR and countless food manufacturing analysts into confusion; the report should have read "750,000". The Stock Exchange later admitted to a mistake, but said the error would not be posted until today. UB shares closed 2 down at 335p in turnover of

The drugs sector saw some movement in smaller stocks,

with AHH, the diversified distribution company, closing down 12 at 482n on results short of consensus expectations against vesterday's general market gains. Bespak, the healthcare manufacturing group, also came off against the trend. The thinly-traded stock fell 8 to 300p with analysts citing general concern about the company which made a profits warning earlier

this month. Glaxo was up 16 at 651p but the City said this was part of a general recovery in the sector market in recent weeks.

Printers had a largely quiet day apart from St Ives which rose 13 to close at 293p on the day. Institutions said the industry was more confident about advertising revenue than it had been for a while.

Ruberoid's return to the market, after being demerged from Tarmac, saw the shares heavily traded and move up from an opening 161p to touch 165p before closing at 163p. The stock was issued at 150p a share. Turnover of 12m shares. was the fourth heaviest in the market yesterday. The day's other debut stock was Biotrace, the biotechnology company, which traded up to 145p after 7.2m shares were placed at 130p. Volume was just under lm shares.

MARKET REPORTERS Christopher Price,

■ Other statistics, Page 23

LONDON EQUITIES

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Other Rived Interest	4	7	4
Commercial, Industrial	308	218	903
Prendet	56	36	77
Property and the second	19	17	98
rvesiment Trusts :	112	40	374
Of & Gas	16	31	34
MAGS	30	30	80
Others	82	43	57
Totals	635	442	1,660

LONDON RECENT ISSUES: EQUITIES

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-	r.P.	i i i	52	46	Do Warrants	48	_	-	-	-	-
100	F.P.	29,4	102	98	Abtrust LLoyds	98		-	-	-	-
-	F.P.	2.4	40	39	Do Www.nota	40		-		-	-
170	F.P.	204.9	190		Alicera	190	+4	WN5.1	2.2	4,0	14.3
230		10.0	243	230	Aztan	240	-1	L3.0	2.8	1,6	26.6
	P.P.	44.7	745		Biotrace Inti.	YAS		-	-	-	-
	F.P.	105.6			CLM Inton	96			-	-	
200		33,4			Canadian Pizza	184		W6.9	2.3	3.8	14,5
	F.P.	24.3			Charles Sidney	100		LN3.5	2.2	4.2	13.1
100	F.P.	13.8	114		Cleveland Tit	111		uN5.28	0.8	5.9	21,7
-	F.P.	5.5	20		Coal kivs	17	+2		_		
-		58.6	142		Crest Packaging	134		W3.65	21	3.4	17.1
	F.P.	262.5			DFS Furniture	271		L5.4	21	3.0	20.5
100	P.P.	\$0.6	102		Delian Lloyds Tat		وإ-		-	-	
1		4.6	14		∳Emerald Energy		يهلب	-	-	-	-
-		30.9			Finsbury Under wit	103	_	-	-	-	-
-		11,2	56		F&CEm Mbs Wbs	66	+1	=			
	F.P.	346.7	172		Gartmore	172	+6	W4.0	2.0	2.8	21.3
100	F.P.	63.9	102		HCG Lloyds Tet	98		-	-	-	-
100		30.6	111		Hiscox Select Ins	102		-			
	P.P.	59.6	351		Hozelock	250	-1	W6 0	5.2	3.0	17.8
225	F.P.	124.3	284		Independent insce		+14	1/8.25	1-2	3.6	26.1
	F.P.	24	128		Liftiput	105		R4.35	2.1	4.3	13.4
	F.P.	51.0	206		Litho Spots.	193		R6.6	2.0	4.2	14,9
	F.P.	277.2	102		Landon Insc Mid	98		-	-	-	
	F.P.	41.3	102		Masthaud Insce.	83,7 Ab		-	-	-	_
	F.P.	56.1 NJ.9	97		New London Cap	234	-1	MOT II	0.7	1.0	18.5
	6.8	76.5	253 165		Ricabora Ruberoid	163	-1	R6.4	1.9	4.1	10.0
	6.P.	35.3	141		Smalter Co's Tet C	141		THE PARTY	1.00	~.1	10.0
	F.P.	46.5	98		Syndicate Ces.	93					_
100	F.P.	1.5	12		Do Wangants	30		_	-	_	
	F.P.	61.2	102		Throg Prid inc	102					
	FP.	27.9	198		Towny Law	183		LN4.6	22	3.1	10.0
3150	F.P.	24,4	111		Udland Inti	102	-1		_	311	
	P.P.	48.5	96		Wigmore Prop.	93	-1	_	-		_
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issue pros	Amount paid up	Latest Renun.	191 High	93 Low	Stock	Closing price p	+01
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11 31 ₄ 100	N	25/12	1 ₂ pm	1 ₂ pm	IMC Inds	1 ₂ pm	
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44	NSI	6/1	21 2pm	1000		11pm	
85	Ni	12/1	6pm	1 ₄ pm	Scottish Metrip.	Spm	
405	N	24/11	86pm	58pm	Sebe	54,27%	
-	M	6/12	11pm	2pm	Ugtand Inti	2pm	-1
376	Ni	25/11	47 pm	3Bpm	Wilson Bowden	200	
152	Na	14/1	23om	11pm	Wyguale Garden	12pm	
om Pac	e at a pren	nium.	-	•			

FINANCIAL TIMES EQUITY INDICES Nov 25 Nov 24 Nov 23 Nov 22 Nov 19 Yr ago "High Prof. 25 Nov. 24 Nov. 23 Nov. 22 Nov. 19 Yr ago "High "Low Ordinary share 2352,2 2329,9 2328,0 2328,2 2357,8 2058,0 2414.2 2124.7 Crd. div. yield 3.96 4.01 4.01 4.00 3.95 4.52 4.82 3.82 Earn. yid. % full 4.56 4.82 4.62 4.67 4.62 6.18 6.38 4.47 P/E ratio net 27.54 27.20 27.20 26.78 27.11 20.69 28.30 19.40 P/E ratio nil 25.54 25.22 25.22 24.84 25.15 19.05 28.14 18.14 Gold Milnes 23.5.6 23.6.5 242.9 247.8 245.3 66.77 249.6 60.0 For 1983. Ordinary share index since somplexion: high 2414.2 3169.33; low 49.4 25/540 Ordinary share bose data 17735; Gold Milnes 12.975.

Open 9.00 10.00 11.00 12.00 13.00 14.00 15.00 16.00 High Low

2326,5 2333,6 2331,5	2338.5 2	350.7 23 50.	8 2350.5	2350.9 235	5.0 2355.5	2326.5
	Nov 25	Nov 24	Nov 23	Nov 22	Nov 19	Yr ago
SEAQ bargains	27,842	25,045	27,509	27,069	25,275	20,967
Equity turnover (Cm)†		1380.0	1001.9	925.2	1173.4	1291.7
Equity bargainst	-	29,993	32,250	29,390	29,474	30,850
Shares traded (mil)†	-	496.9	563.3	383.7	479,2	589.2
r Excluding intro-market by	onese and c	INDIANA COORDINA	over.			

Nov 25 thgets Nov 24 Nov 23 Nov 22 ago 5.68 21.88 67.79 1128.64 5.73 21.33 88.16 1245.70 6.16 18.63 90.40 1241.13 5.69 21.89 92.81 1152.83 3.82 34.96 56.88 1312.33 4.37 32.38 41.88 1296.47 +0.6 3087.2 3089.3 3070.8 2741.8 3.84 3.54 3.66 0.77 FT-SE 100 FT-SE Mici 200 FT-SE Mici 200 on law Thuns 3445.2 +0.4 3450.7 3458.2 3435.4 2618.6 3444.3 +0.4 3429.8 3437.8 3436.4 2621.6 1642.4 +0.7 1530.9 1632.8 1632.7 1622.5 1735.68 1741.40 1745.63 ____1735.68 1741.40 1745.63 - 3.17 3.62 -0.1 1712.88 1719.87 1724.86 - 3.38 4.37 --+0.7 1815.21 1817.08 1817.41 1897.56 3.74 5.68 M FT-Actuaries All-Share Day's Year Div. Earn P/E Xd adj. Total Nov 25 chge% Nov 24 Nov 23 Nov 22 ago yleid% yield% ratio ytd Return 1002.92 +0.9 1053.79 1053.24 1051.87 776.36 3.86 3.95 38.09 30.65 1261.62 1250.98 +2.5 1226.15 1222.31 1208.95 755.61 3.88 2.78 51.45 32.11 1409.09 1024.92 +0.9 1018.65 1016.39 1016.35 645.56 3.09 1.22 80.00† 24.23 1432.30 3868.87 +0.1 2890.16 2892.56 2897.69 2162.35 4.89 3.86 33.41 105.80 1181.00 2818.88 +0.7 2797.02 2785.67 2784.49 2206.81 3.11 5.90 20.72 88.48 1236.33 1 CAPITAL GCCOSQUIS
2 Building Manuscott)
3 Contracting, Construction(28)
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+0.1 2055.91 2061.61 2084.43 1794.31 4.81 8.05 19.63 71.86 1074.84 9 Motors(20) 10 Other Industrials(19) 6.79 17.81 13.43 980.92 6.79 17.81 43.43 980.92 6.88 14.42 46.05 908.82 7.28 16.29 34.79 1024.63 10.77 11.53 61.47 760.33 6.75 17.26 103.65 850.55 6.83 21.58 63.05 1126.63 4.65 28.02 38.30 1221.27 6.17 33.37 22.41 1161.75 6.41 23.26 29.05 1162.74 5.56 22.83 22.90 11444.89 21 CONSUMER GROUP(236) 22 Brewers and Distillers(28) 25 Food Menusaturing(24) 26 Food Retailing(17) 27 Health & Household(31) 40.8 1858.08 1884.52 1886.25 1890.08 1672.05 +0.8 1653.06 1664.52 1696.25 1690.08 +1.5 1822.43 1827.65 1830.72 2021.52 +0.2 1317.25 1314.42 1317.17 1258.86 +0.2 2409.40 2299.96 2416.22 3041.46 +0.8 3475.12 3506.85 3503.97 4366.51 +1.5 1396.04 1375.86 1390.55 1178.06 +0.7 2168.09 2161.75 2161.09 1665.43 +0.8 382.25 893.97 888.99 732.82 +1.0 1302.25 1314.07 1312.39 1095.72 -0.2 832.57 834.01 822.68 889.50 3.96 3.88 4,26 2.36 3.36 2.79 3.76 10.77 11.53 61.47 760.33 8.75 17.26 103.65 650.55 5.83 21.58 53.05 1126.83 4.66 26.02 38.30 1221.27 5.17 33.17 23.11 1181.75 5.41 23.26 29.05 1162.74 5.56 22.83 22.30 1144.48 27 Health & Household(31) 29 Hotels and Lelaure(20) 30 Medie(34) 31 Packaging and Paper(26) 34 Stores(39) 35 Textiles(20) 2184.14 40 OTHER GROUPS(145) 1531.27 -0.9 1518.06 1623.70 1523.19 1386.24 3.78 6.24 18.58 41.15 1101.01 2722.96 -0.5 2737.86 2734.70 2709.41 2158.79 4.14 5.87 21.31 89.73 1264.03 49 INDUSTRIAL GROUP(696) 1834.88 +0.7 1823.37 1628.51 1826.32 1440.38 3.80 8.19 19.74 45.05 1117.38 1634.88 +0.7 1623.97 1628.51 1626.32 1440.38 3.80 6.19 19.74 45.05 11)7.38 1179.52 +0.7 1170.70 1160.52 1170.79 949.12 3.67 3.26 5.19 4.09 1396.56 1471.39 41.1 1629.49 1614.00 1636.89 1165.58 3.27 3.51 55.19 46.37 1432.19 2049.24 +1.1 2028.93 2024.74 2022.75 1720.62 4.48 4.98 26.89 73.50 1211.06 682.18 -0.3 694.10 670.01 673.59 631.01 4.94 1 134.89 131.64 4.99 833.54 885.52 899.51 712.15 4.41 4.69 31.13 27.02 1191.92 707.05 +0.1 796.13 789.65 801.47 448.73 2.98 7.30 16.61 18.79 1634.77 1086.59 +0.2 1096.50 1092.31 1086.15 614.78 3.77 3.88 25.70 44.38 1769.99 437.37 437.52 435.38 438.44 285.88 3.66 5.35 24.70 11.17 1494.25 1726.77 +0.3 1720.19 1724.37 1776.78 1259.48 2.59 1.52 52.20 31.21 130.99 59 "500" SHARE INDEX(814) 61 FRIANCIAL GROUP(91) 62 Benks(9) 65 Insurance (Life)(6) 85 Insurance (Composite)(7 86 Insurance (Composite)(7) 87 Insurance Brokers(10) 88 Merchant Bentes(6) 89 Property(30) 70 Other Financial(23) 71 Investment Trusts(111) +0.7 1515.21 1517.06 1517.41 1297.56 2.74 5.58 22.21 41.91 1160.74 99 FT-A ALL-SHARESIS **#** Hourly movements Open 9.00 10.00 11.00 12.00 13.00 14.00 15.00 16.10 High/day Low/day 3063.5 3069.7 3084.4 3070.5 3086.9 3085.2 3094.7 3087.6 3092.4 3083.1 3063.0 3428.9 3428.2 3428.1 3428.3 3435.6 3436.5 3437.5 3439.7 3444.4 3445.2 3425.9 1529.1 1531.7 1529.4 1532.0 1539.1 1538.5 1538.4 1539.7 1542.1 1642.4 1528.8 Time of FT-SE 100 High 4:30pm Low 9:51em ■ FT-SE Actuaries 350 Industry baskets Open 8.00 10.00 11.00 12.00 13.00 14.00 15.00 16.10 Close Previous Change Construction 1946.9 1851.5 1951.2 1954.4 1962.7 1950.9 1985.0 1971.1 1969.1 1991.1 1946.2 +22.9 Health & H'hold 1048.5 1046.3 1046.5 1051.7 1051.0 1051.2 1062.5 1057.2 1067.1 1048.3 +8.8 Water 1523.2 1524.0 1529.0 1531.5 1535.0 1531.7 1533.7 1533.9 1535.2 1535.2 1525.2 1526.5 +9.7 Banks 1981.9 1984.3 1978.7 1984.2 1989.7 1997.5 1999.0 2000.1 2003.1 2002.9 1980.6 +22.3 Additional Information on the FT-SE Administs Share Indices is published in Saturday issues. Lists of constituents are evaleble from The Fhancial Times United, One Southwest: Bridge, London SE1 9HL. The FT-SE Administ Share Indices Service, which covers a range of elactronic and paper-based products relating to these indices, is are statule from FRSTATA at the same actives.

The increase is the above of the FT-Actuaries Al-Share index from Jenterry 4 1983 means that the FT-SD none contains more stocks, it has been received the fire increase and the FT-SE Administ SQ on all the FT-SE Administration industry bookers are calculated by the Instructional Stock FT 1987. The FT-SE 100, the FT-SE Middle Of FT-SE Administration of the United Mingdoon and Prepublic of Infant and the FT-Actuaries Al-Share Index is complete by The Francial Times Limited by the Instructional Stock Exchange of the Configuration with the Institute of Actuaries So of Prepublic of Infant Limited 1933. All rights reserved. "FT-SE" and "Footies" are joint trade marks and tempton and Republic of Infant Limited Stock Exchange and The Francial Times Limited 1933, All rights reserved. "FT-SE" and "Footies" are joint trade marks and tempton marks of the London Stock Exchange and The Francial Times Limited. The FT-SE Actuaries Share Indices are sudited by The Wat Company.

I Sector PIE sailes greater than 160 are not shown. It values are negative.

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3,400 3,400 3,400 3,400 4,400 3,400 4,400 3,400 4, Brit Airweys 390 36% 46% 83 6 15 23 (416) 420 19 30 37 23 25% 37% 266 25% 320 27% 37% 47% 16 25% 32 25% 37% 43 49 8005 500 37 80 38% 8 15% 24 (623) 550 12 25% 32 33% 41 50 850 69% 79 83% 9 17 23 700 36 49 63% 27 37% 44% 550 38 48 68 19 35 41% 600 18% 25 32% 48 65% 77 ATZ (*899) Region 550 38 48 58 19 (162) 600 18% 25 32% 48 6 Reyel insce 296 20% - - 12% (1282) 317 7% - - 31 BP 330 25% 30 36% 7 13 16% (341) 360 7% 14 20% 25 23 33 Brillen Steel 110 13 16% 20 4 7 6% 12 14% (118) 120 7 11 16 86 12 14% Been 460 26 31% 38% 17 23% 30 (477) 500 7 14 21% 45 49 54% Tesco 180 23'4 27'4 28'4 5'4 11 12'4 (194) 200 11'4 16 18 14'4 22 23 Vocation 500 43 57'4 88'4 5'7 58'4 65 17'5 13' 550 21 30 47 58'4 65 12 15 (132) 330 14 18 24 18'4 27'8 30'4 Cable 8 Wat 450 33 46 % 88% 13 21% 27 (%70) 476 18% 30% 43 34% 32% 38 SOciation 6 430 28 33% 41 15 20% 20% (%28) 460 8% 17 23 41% 44% 83 Commit Union 500 28 38% 47% 15% 29 34 (*804) 650 6% 18 28 30 51% 65% Option BAA 900 48 651% 81% 19 30% 42 (***) 850 28% 40% 55% 47% 57 67 (***) 650 38 51% 57% 7 13 23% (***) 638) 850 12 22 38% 38% 38 36 36% Dec Mar Jun Cac Mor Jun Option Abbey Nati 290 23% 33 36% 4 14 18 (*406) 420 8 18 21% 18% 30 34% Amstred 45 4 7 9 3 5 7 (*45) 50 2 8 6% 6 8 8% | Native | Section | Secti Hasses 280 11 18 187; 12 16 18 (251) 300 5% 8% 11 25% 29 32 14,541 Pure 22,765

TRADITIONAL OPTIONS

Nov. 22 Last Declarations Dec. 3 For settlement 3-month cell rate indications are shown in Saturday editions.

Calis:Aran Etergy, Avesco, Bakyrchik Gold, Biotraca, Bluebird Toys, Fisons, Fisateon, Hanson Wha., Kewill Systems, Lucas Wha., NSM, Sleepy Kida, Tuliow Oil Puts: Euro Disney, NSM, Shoprits, Tiphook. Puts & Calis: Brit. Asospeco, LWT.

In the Ukraine, unable and

新の報酬の記載の報酬をは存在者に発生が可能を子会はおからますには、「おけまして、こと、ことは、ことは、「ままな」ときには「ままな」と「こと、ことはなるでき」の

LONDON SHARE SERVICE PACKAGING, PAPER & PRINTING - COST. \$ + \$ \tan 2 \tan 1 | | \tan 1 | | \tan 1 | | \tan 1 | \t 701 P/E Hotes
35 18:8 Q.F.S.
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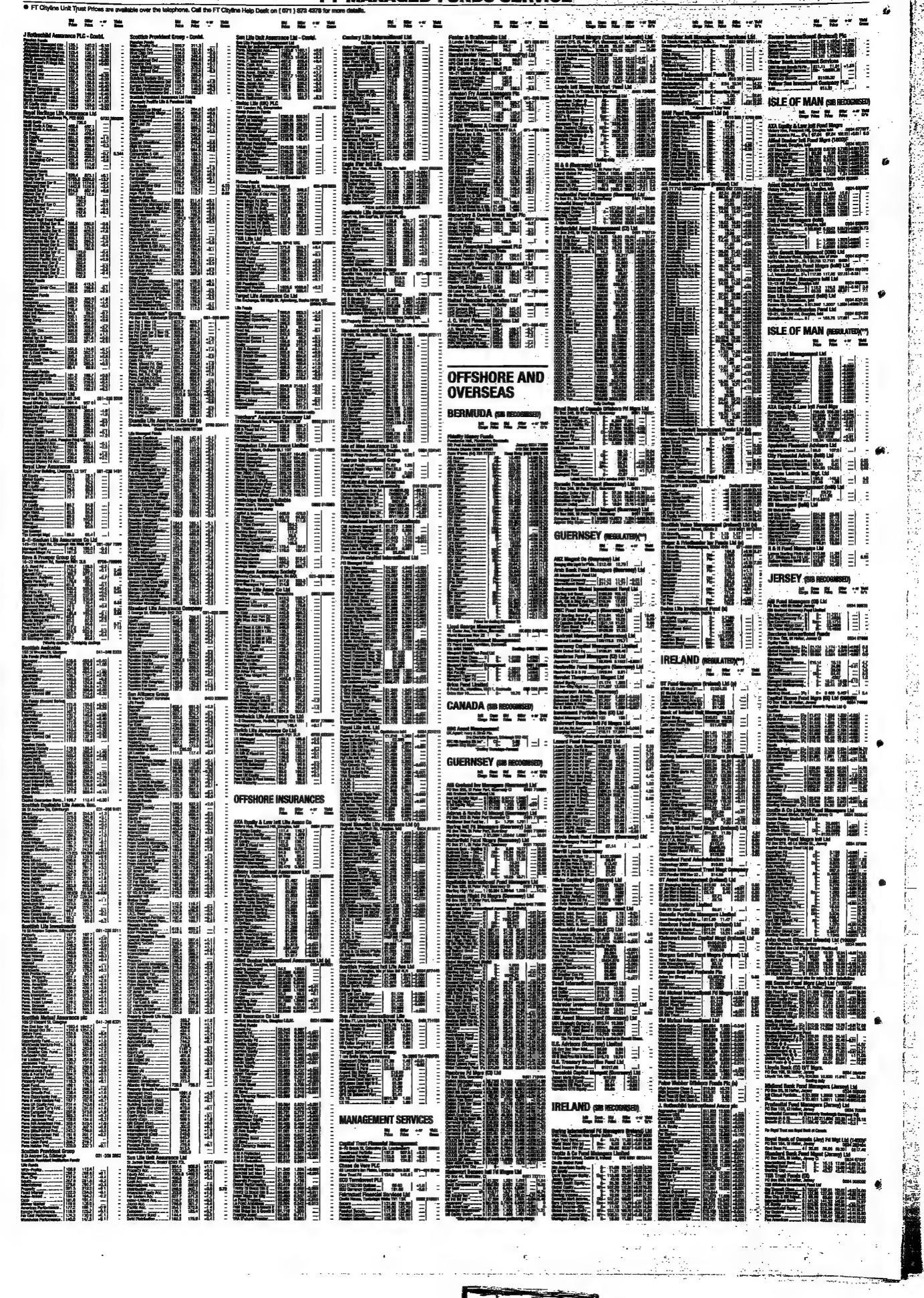
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Trust Funds

CURRENCIES AND MONEY

MARKETS REPORT

36

Rate cut rumour hits DM

With the US market closed for the Thanksgiving holiday. flows of money were restricted and some currencies were vulnerable to rumour yesterday. The D-Mark was volatile, fall-ing sharply at one stage on misinterpretation of a comment from the Bundesbank, writes Peter John.

The German currency had been lifted in late European trading on Wednesday after Mr Hans Tletmeyer, the president of the Bundesbank, said increasing caution was needed by the central bank in its interest rate policy to avoid pushing up long-term rates over which it has no direct control.

Then, yesterday morning, a news agency reported that Mr Johann-Wilhelm Gaddum, Bundesbank vice-president, had said money market rates could fall to around 4 per cent. The possibility of weaker rates prompted the German cur-rency to slide against the dollar, the pound and the French franc. It was also weaker against the Swiss franc but more as a result of strength in the Swiss currency than

D-Mark weakness. Shortly afterwards, it was stated that the report on money market rates was the result of a translation error. By that time, however, German regional inflation figures from North Rhine-Westphalia and Ravaria had been announced.

The data suggested annualised price rises for November might have fallen to 3.7 per cent from October's 3.9 per

further cut in interest rates that could regenerate the econ-omy and possibly prompt a re-evaluation of the currency. However, some economists said the Bundesbank had been obliged to inject emergency liquidity into the money markets yesterday, suggesting it would be difficult to bring the repo rate down from its current 6.25 per cent.

Against sterling, the D-Mark feil a pfennig to DM2.6425 while against the dollar it slipped to DM1.7085 from DM1.7025. It has traded within a narrow range with the dollar for some weeks holding between DM1.68 and DM1.72 but analysts see it continuing

EXCHANGE CROSS RATES

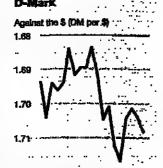
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end of the scale and a shift through DM1.7050 yesterday was significant for chart spe-The Swiss franc edged back

after economic data from Basie suggested a big drop in inflation. The currency closed at SFr0.878 to the D-Mark against SFr0.877 previously.

The French franc was

helped by an announcement from the Bank of France that it had repaid 80 per cent of the debt it incurred at the end of July through borrowings from the European Monetary Co-operation Fund

The money had been bor-rowed to fight off heavy selling of the French franc ahead of the widening of the European exchange rate mechanism divergence bands at the begin-ning of August.

Economists said the debt repayment was signalled in details provided by the Bundesbank's weekly balance sheet a few days beforehand but it was still good for sentiment.

The franc improved to FFr3.4650 to the D-Mark from FFr3.4680 previously. Analysts who examine currency move-ments on the basis of chart trends see the franc attaining FF13.44 soon.

Among Mediterranean currencies, the Spanish peseta lost ground against the D-Mark as one investment house was said to be recommending a switch from Spanish govern-

ment bonds to Italian paper There is concern over strikes in Spain at the weekend in reaction to the proposed social pact on wages and jobs. Italy has its own political problems but economists were saying that they were now discounted following sharp falls in Italian shares, government bonds and

the currency on Tuesday. The falls followed extremist victories in local elections which led to fears of general political uncertainty ahead of next year's national elections and an uncertain passage for the 1994 budget.

had long been discounted by money market rates. Further helped by the concerns emanating from Germany it reached DM2.5430 at one stage, a level which chart specialists see as a significant breakthrough point. The pound rose marginally

against the dollar to \$1.4885 and the sterling exchange rate index, which measures the pound against a basket of leading currencies, lifted to 81.7

from 81.6 previously.
In the UK money markets, easy conditions ahead of the next week's Budget saw over-night lending rates trade down to around 4 per cent. The Bank of England forecast a liquidity shortage of £1.35bn which later revised down to £1bn and dealt with at the earliest opportu-

nity.
The central bank bought £730m of short-dated band one bank bills at the established 5% per cent rate and £270m of bills for resale to the market in equal amounts on December 13 and 14 at 5% per cent.
The short sterling contract

which expires on December 15 was discounting interest rates of 5.4 per cent, little changed since the base rate cut at the beginning of the week. However, some dealers pointed out that the three-month baterbank rate of 5% per cent was, unusu ally, below short sterling.

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ment bonds to Italian paper.	Finland	(FM)	8.667		642 - 672	8,6750				. •	·			78.8
There is concern over strikes	THE CO	(FF1)	8.8075		802 - 813		8,7750					8.862		107.0
in Spain at the weekend in	Germany	(DM)	2.5425		540 - S4II	2.5600		2,5448	-1.1	2.5479	-0.8	25450	-0.1	.124.3
reaction to the proposed social	Greece	(D)	384,3		1990 - 650		362,200	-	·	·	· _ •	-	·	
pact on wages and jobs. Italy	freiend	(65)			054 - 056		1.0505					1.0802		102.1
	italy	بع _	2515.25		750 - 750			2522.85				2593.75		76.1
has its own political problems	Transported	(LF4)	53.75		700 - 800		53.50		-28			. 64,41		. 112.8
but economists were saying	Netherlands	(FI)	2.855		850 - 860		2,8400					2.8551		119.9
that they were now discounted	Narway	(NK)	11.045		040 - 050					11.0332	0.4	11,0127		85.9
following sharp falls in Italian	Portugel	(Es)	259.76		250 - 250		256.50					·		
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shares, government bonds and	Sweden	(SKr)	12.48		475 - 486							12.65		73.1
the currency on Tuesday.	Switzerland	(SFI)	2.2325		227 - 237	223/6	2.2175	2.2312		2.2277	0.9	2.2044	1.3	114.5.
The falls followed extremist	UK	(2)	1		000 - 000	4 0045	4 0.00			4 0000				81.7
victories in local elections	Ecu SDRH	-	1.3235	+0.004	323 - 324	1,3243	1.3185	1.3252	-1.3	1.3282	-3.4	1.3331	0.7	
	Americas	_	0.8520	-	-	-	-		'. -	•	-		-	-
which led to fears of general	Amendina	(Peso)	1.484	_0.0096	484 - 485	1.4965	1,4820			_	_	16.5		
political uncertainty ahead of	Brazil	(C)	335.705		700 - 710		335,100				_	- Table 1		• 1 . T
next year's national elections	Canada	(CS)	1.979		970 - 960		1.9715	1.9765	- 1.5	1,9727	. 12	1,8876	7 - 0.6	91,2
and an uncertain passage for		y Peech	4.6176		614 - 621		4.6086	120100	1.2	1,0121	- 1.5	. Italian	0 - 000	V182
the 1994 budget.	USA	- T	1.4885		455 + 403		1.4845	1,4856	2.2	1.4814	7.8	1.4670	1.4	66.9
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The Italian lira, which hit a	Australia	(AS)	2.233	-0.007	232 - 234	2,2400	2.2320	2.2316	0.8	2,2292	0.7	2,2261	0.9	-
new record low earlier this	Hone Kens	A-DCS)	11,4885		488 - 490			11,4683				11,3416		6.00
week, was littled changed at	India	(Rs)	46.65	-0.025	600 - 700	46,70	48.55		-	-				
1.989.40 to the D-Mark. The	Japan	m	181.25	+0.25	760 - 750	101.76	160.50	160,895	· 84	189.99	8.1	155.3	. 3.1	181.3
peseta dropped to Pta81.90	Malaysia	(MS)	3.7965		795 - 790	8:8000	3.7910	-	- 10	-	-			.* -
	New Zealand	(NZS)	2,7095		707 - 711		2.7050	27104	-0.4	2.7112	-0.5	2.7176	-0.3	, 'ME
against the D-Mark at one	Philipines	(Peso)	42.15		100 - 200	42.20			-		-			`
stage but closed at PTa81.51	Saudi Arabia	(SR)	5.577		576 - 577		5.5690		-	-	. `. -	-		- : -
against Pta81.36 previously.	Singapore	(54)	2.374		374 - 076		2.3718				-			.,
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had long been discounted by	(SDR rate for No							me classical	niocee	Football ret	-	-		 نمانین بری د
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mamportag		36.1		000 - 160	38.20	36.00	36.25	-6.0	36.46	-4.0	37.07	-9.7	-0
	F	1.9175		917 - 918	1.9180	1,9115	1.0221	-2.9	1,9294	-25	1,9452		+21
OLARSA	(NKY)	7.42		R10 - 423	7,4275	7,3900	7.4325	-2.0	7,4622	-1.7	TAIL	-	-17
ounder	(Ea)	174.45		400 - 500	175.00	172.60	176.72		178.Q6	-6.8	CHUR		-
peln	(Pta)	130.2	*O.Bli	100 - 250	139.80	138.45	139.973	-6.7	141.5	-80	145.075	-4.6	-53
weden	(SKr)	8.385		352 - 307	8.3950	8,3625	8,4187	-44	8.465	-430		-2.6	-39
witzerland	SFr	1.4995		499 - 500	1,5005	1,4915	1,5014		1,0007	-1.3	1,5022		
K	(42)	1.4	+0.0005		1,4000	1,4845	1,400	2.2	1,4614	1.9.			21
au .	-	1.1245	-0.0005	124 - 125	1,1280	1.1245	1.1500	.4.0	1,1149	3.4	1.1002	5.9	•
IDR†	-	1.869	-		-	-	-	-	-		-		
merices											· .	, .	
rgentine	(Peed)	0.998		986 - 886	0.9986		-	-	-	-		-	
100	(C)	225.755	-0.055	780. = 780	225.800		-	-		-	-	-	
OT BUT AN	(08)	1.0		201 - 223	1,3305	1,3266	1,3276	0.9	1,9282	0.7	1.817		-11
	Peed	3.1055	+0.004	102 - 106	3.1140	3.1080	8.1072	-0.7	8.1118	-0.7	3,1282	-0.6	
WA.	(A)	- 1		000 - 000							-	-	- 10
والعاوالية/بواللعوا		drice.											
ustralie	(AS)	1.5015	-0.0025	501 - 502	1.6048	1.4995	1.5005	0.6	1.4906		1.4886	0.9	-47
long Kong	(140)	7.726		720 - 727	7.7265	7.7250	7.7276		7.728	-01	7,786	-0.1	
nda .	(Più	31.27	+0.006	300 - 372	31.3725	31,3850	31.445		71,656	-0.4	1. 4	_	
espera.	m	108.3	+0.16	250 - 350	109.65	108.06	109.246	0.6	107.965	1.2	106.5	1.7	+121
faiayala.	(PAN)	2.552		500 - 550	2.5530	2.5510	2,5577	-2.7	2.57	-2.6	2.5834	-12	
lew Zeeland	NZ	1,000	-0.0005	MI - 825	1.8235	1.8195	1,8218	0.5	1.0157	0.7	. 1 .8 114	0.6	
hi lipi nes	(Pesc)	28.36	+0.45	500 + 400	28.45	28.30	-	-	-			-	
mad Artists	(879)	3,7506		750 - 757	1,7520	3,7500	5,76	-8.0	3,7766	-27	3,7912	-1.1	
пдароге	1300	1.1	-	090 - G37	1.0976	1,5980	1,8945	5.6	1,5995	0.8	1,5915	0.5	
Africa (Com.)		3.3675	-0.008	367 - 366	1,3680	3.3625	3,3865	464	2,415	-6.6	2,6336		
Africa (Fin.)	(A)	4.205		200 - 200	4.3900	4.3650	4,417	-88	4.478	-8.6			
outh Koren	(Wan)	807.75		500 - E00	808.00	807.80	810.75	-4.5	814.25	-3.2	889.75	-2.1	
etyen)	(13)	26.9		850 - 950	26.95	26.80	26,986		27,105	-40			
halland	(14)	25.4		886 - 460	25.45	25.30	25,408		25.4415	-0.7	25.71	-52	

				TRATE		
Nov 25	Equipm.	Flate against Equ	Change on day	%.+/- from cen. rate	% spread y weakest	Div.
Netherlands	2.19572	2.16689	40.00017	-1.83	4.46	. 2
Derinary	1.94984	1.00070	-0.00086	-1.48	4.06	-
reland	0.808628	0.797009	-0.002102	-1.44	4.05	10
ieigiun	40.2125	40,6822	40.0014	1.17	1.35	-9
grade.	184.250	156.867	+0.802	1.70		-12
Tence	6.53883	6.66016	-0.00132	1.86	. 0,67	-18
Continge	182.854	190,474	+0.465	1.06	0.66	-18
Jeromerk	7.43679	7.82560	-0.00149	2.54	, 0.00 ·	-17
ION ERM M						
1	264,518	275.915	-0.217	4.381	-1.70	-
bally	1783.18	1899.50	+1,92	5.93	-8.20	-
itely UK Iou geniral raids Percentage char	1783.18 0.785749 set by the Bur gee are for Ex	1899.50 0.757161 open Constine g & positive che	-4.001091 lon. Currencies ngo denotes a v	-3.75 see in descending resix currency. D	6.65 g relative atrer kraspence sitor	
tally JK lay qurinal relati Wicensige char stile between by ar a currency, a lay central rate.	1782.16 0.785749 set by the flue gee are for Ext o spreads: the ad the maximum	1899.50 0.757161 open Constitut	-4.001091 lan. Curundien age denotes a v rence between partage deviate	-0.76 are in descending relific currency. Di the actual marks or of the currency	B.BB g relative eiter frangencu sitor f and Ecu ceri y'a unssiet rein	itom its
tally JK les central relat "Accomage char also between the ar a currency, a fou central nat- 17/9/82) Sweling	1723.19 0.786749 set by the flu- goe are for Ex- o aprecis: the ad the meanure and light Un	1888.60 0.757161 open Constitut s, a point chi percentage diffe m permitted per	-0.001091 lon. Currentles nge denotes a v rence between bentage deviate m 89M. Adjustn	-9.75 nee is descending the scale currency. Of the currency ments are controlled in the currency ments controlled in the currency	8.65 g mistive eter foreigness sho t and Ear carl y's unstet rain by the Firencial	itom its
bally JPC los central relati histosamico chari silic balvesan bi dir a currency, a fou carbal ras- 17/4/62) diversing il Princ Accessi histos	1783.18 0,785749 set by the flar ges are for Each on appreciate the of the meximum and tellen Lin	1899.50 0.757181 open Constine 5, a positive che percentage diffe in permitted pas a suspended from COPTICALS	-0.001091 ion. Currenciae nge denotes a v rence betimen pertage deviate m 89M. Adjustin 231,250 (perris	-0.78 are to descending the school of the currency. Or the currency of the currency nent celevised it per pounds it.	8.65 g relative street freepency sites t and East con- y's unsilet rela- ty the Firencial tov 24	or the trail relate from its
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4		E THESE	HOMYN S	THE MIC	FUTURES	(LIFFE) ES	00,000 pair	nts of 100%	
Est voi	Open Int.		Open	Satt price	Change	High	Alteria	Est, vol	Open Int
1221	15121	Dec	94.50	94,62	0.01	94.63	94.89	9548	104788
767	10254	Mer	94.79	94.82	0.02	94.83	94.77	8657	98484
172	7129	Jun	94.63	94.86	0.02	94.86	94.82	. 3474	77136
12	3140	Sep	94.76	94.79	0.01	94.81	24,76	2476	38270
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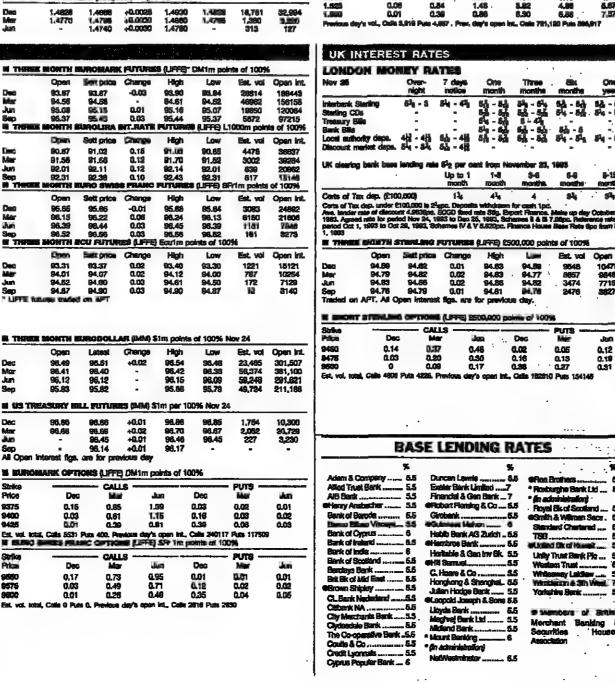
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Portugal	(Es)	20.70	3,681	3.391	0.979	0.406	988.4	1.099	4.3
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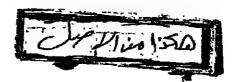
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VANCIAL TIMES FRIDAY NOVEMBER 26	1993	37
1.	WORLD STOCK MARKETS	### 17 Fight Lear ### 2 71 Fight Care
125	### 1	25, 1993 Stocks Closing Change Prices on day

The Financial Times plans to publish a Survey

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The U.S. Communications industry is currently the largest and most advanced in the world. The changes happening now will have implications for the entire world. This survey will therefore be essential reading for key decision makers in over 160 countries worldwide.

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FT Surveys

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Demoark CopenhagenSE(3/1/63)	344.08	343.44	248.18	*SH14	4/11	291.85	44 (South Koren KoreaCrupEx(4/1/50)	819.42	828.98	817.90	348.47	20/11	605.E3 6/3	Amex Mist V			450.85	(2/11)		464.28 [2/11/93]	29.31 (9/12/72)
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Visiopsia VLSE Comp.(4/4/96)	970.31	970,30	966.68	889,40		614.28		Open Interest figures							Geo Motors	1,859,900	53%	+1	New Lows		32 7	6 10
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The new, improved Monday FT provides a unique insight into the week's events.

38

Italy gets support at German expense

Mr Joe Rooney, European ing in Euro Disney which fluc-equity strategist at Lehman tuated wildly, being suspended Brothers, increased Italy's weighting in the broker's pan-European portfolio yesterday by 3 percentage points to 8.2 per cent against a benchmark 5.3 per cent, writes Our Markets Staff. This came at the expense of Germany, which is now at 13 per cent against a 15.5 per cent benchmark.

He said that the move reflected as much concern with valuation levels in Germany, as exploiting Italian opportunities. "The lack of sensitivity to movements in short term rates will make the transition from an interest rate driven market to an earnings driven market difficult for Germany next year," he maintained.

But in Italy, the trend of inflation had improved continuously, while a L8,300hn trade deficit in the first seven months of 1992 had been converted into an equivalent surplus this year. Mr Rooney saw Italian bonds and the lira at current levels, supported by these trends, as fundamentally

cheap.
Politics remained the joker although any government resulting from next year's general elections would be better than the series of administrations that had dragged down the Italian economy over the past two decades.

Mr Rooney had reservations about the stock market, stemming from the inability to explain its performance in terms of fundamentals, inadequate dividend growth, and the fact that the transformation of the political and economic landscape has not been replicated in the corporate sector. "The difference is that the market has underperformed in both local and common currency terms by around 11.5 per cent so far this year and the economic fundamentals have Improved." he said.

PARIS was bemused by trad-

limit down twice, then gaining some 20 per cent in value from its nadir, before being suspended once more; it finally closed FFr2.20, or 7 per cent higher at FFr29.40 in turnover of some FFr158m.

With its small weighting in the CAC-40 the price movement had minimal effect on the index, which raced ahead to end up 47.79 or 2.3 per cent at 2.118.40.

Turnover was estimated at FF13.7bn. It was suggested that short-covering was partly behind the market's climb yesterday, with domestic investors taking advantage of the absence of US institutions to

ecome aggressive buyers.

AMSTERDAM was pulled higher to line with other bourses, the CBS Tendency

US markets were closed for the Thanksgiving holiday. Toronto got off to a slow start in the absence of Wall Street n the TSE-300 composite index was down just 3.47 at 4.219.87. Volume was 27.2m shares.

There were variations among the sub-indices with financial services up 39.93 at 3.131.96 and oil and gas down 122.86 or 2.6 per cent at 4,504.09, reflecting lower commodity prices.

index adding 24 or 1.8 per cent to 135.7. Turnover was estimated to have been around Filbn, belped by strength on the options market.

Cyclicals returned to favour, DSM and Akzo showing respetive rises of El 400 and El 300 to Fl 102.20 and Fl 178.80; good fmancials.

Further strength was seen in KNP BT, the paper group, fol-lowing Wednesday's results which were not as bad as some analysts had been forecasting the shares rose Fl 1.50 to Fl 41.70. Royal Dutch went against the trend, slipping F12.10 to F1 195.60, partly on a weaker oil price.

FRANKFURT climbed on the Volkswagen four-day week agreement, and extended its gains after hours after Baveria came in with a drop in its year on year inflation rate to mid-November. The DAX rose 18.16 to 2.047.71 and the This-indicated index by another 10.09 in the afternoon to 2,057.80.

Turnover rose from DM7.8bm to DM8.5bn with VW accounting for DM980m of that, far ahead of its average volume. The four-day week was estimated to be worth a 20 per cent reduction in the carmaker's costs, the shares rose DM9.50 to DM412 and, in a generally strong automotive sector, Daimler continued its recovery with a rise of DM12.20

The big results of the day came from Bayer. The prospect of an 18 per cent fall in 1993 pre-tax profits was less severe than expected, yet the shares rose only DM1.90 to DM324.50 during the session compared

with DM2.70 to DM278.70 for Hoechst and DM5.10 to DM268.40 for BASE. Mr Hans Peter Wodnick, head of research at James Capel in Frankfurt, observed that Bayer had been expected to produce better results than the other big two chemical stocks, which had underperformed the mar-

The bad results came from Metaligesellschaft, where heavy losses, no dividend and the prospect of a rights issue supported by a defensive colerie of big corporate shareholders left analysts shaking their heads in despair.

ket in the first three weeks of

November, while Bayer had

STOCKHOLM saw volatile trading in Volvo after major shareholders said that they would back the proposed

Rearly changes Comm 10.30 11.00 12.08 13.00 14.00 15.00 Close Alex, 24 Alex, 25 Mar. 27 Mar. 16 Mar. 15 1300.53 1430.27 1367.52 1427.61

THE FURDIEAN SERVES

it was well set for Europe-wide

competitition in telephone net-

works, rose Pts30 to Pts1,696.

ZURICH was firmer, but off

restrained by the absence of

US investors. The SMI index

Nestlé continued higher after

Wednesday's 10 month figures,

the shares adding SFr6 to

Swissair added another SFr9

to SFr756, only SFr4 short of its price ahead of last week-

and's announcement that the

Alcazar talks had been called

Banks were broadly higher

COPENHAGEN dropped 2

per cent on late selling in thin

trading, the KFX index losing

ATHENS was unsettled by

reports that the government

planned to increase taxes on

hare dividends by up to 10 per

cent. The story was later denied. The general index dropped by 13.73 to 261.28.

ISTANBUL hit a new record

high on late buying, which left the composite index up 473.5,

Buying interest concentrated

Turnover was estimated at

Written and edited by William Cocketon, John Pilt and Michael

GOLD shares held on to most

of the day's gains in line with a steadier bullion price. The

golds index was up 20 at 1,889,

after touching 1,899. Industri-

als retreated 4 to 4,847, while

the overall index moved for-

SOUTH AFRICA

ward 17 to 4,198.

on the fron and steel, cement

and hanking sectors, with Ere-

gli rising TL300 to TL6,500.

or 2.8 per cent, at 17,195.1.

with CS Holding, parent of Credit Suisse, gaining SPr40 to

rose 9.6 to 2,726.8.

SPY1.185.

2.01 to 99.41.

group and Renault of France. The B shares, which had been trading at a high of SKr431 before the amouncement, fell back, closing off SKr3 at

Most, 25

FT-SE Actuaries Share Indices

The Affarsvärlden general index added 2.0 to 1,314.0. MILAN continued higher rith sentiment helped by aigns that the government had won political consensus on the need to see the budget approved by the end of the year. The Countr index rose 9.79 or 1.9 per cent

Piat, firm on Wednesday after it announced plans for redundancies and temporary lay-offs, bounced L286 or 6.6 per cent higher to 13,800 after demand by domestic funds sparked short covering. Speculation that the car group was thinking of selling Alfa Romeo was firmly dented by Flat. Sip, L63 higher at L3,029, Oli-

vetti, L25 firmer at L1,805, and Pirelli, L89 ahead at L1,849, continued to pick up ground lost earlier in the week. Benetton surged L1.140 or 5.4 per cent to L22,290 on the view that the cheaper line could help

MADRID was given a breathing space as the holiday clo-sure in the US took American sellers out of the market. The general index closed 2.37 higher at 296.78 in turnover down from Pta37.2bn to Pta20.6bn.

Electrical utilities rose in depth, led by Fenosa, up Pta14 at Ptta534, and Iberdrola, Pta16 better Pta896. Telefónica.

French equities falter in uncertain trading

Alice Rawsthorn on prospects for the Paris bourse

dery, the ascetic economy minister, could scarcely conceal his give yesterday when he announced that the public part of the FFri3bn sale of shares in Rhone-Poulenc, the second company to be sold in France's privatisation drive, had been beavily over-subscribed.

The Economy Ministry is today expected to report that the institutional part of the Rhône-Poulenc sale has also been comfortably over-sub-

The timing could scarcely be better. The successful sale of Rhône-Poulenc not only sets an encouraging precedent for the next round of privatisations, scheduled for next year, but comes at a propitious moment when the Paris stock market seems to be flagging.
The CAC-40 index, which

soared to record levels during the summer and early autumn, has faltered recently on concern about the outcome of the Gett negotiations, the Balladur government's cautious approach to cutting interest rates and the recent spate of

industrial unrest in France. "There is a great deal of uncertaint about the prospects for the market," said Mr David Ha sington, of James Capel's Paris office. "The fundamentals are still strong, but investors are likely to remain nervous until the Gatt issue has been resolved and there is clear evidence of further falls

in interest rates".

Once these problems have been addressed, most analysts and economists expect the market to return to growth. Mr Didier Cherpitel, managing director of Morgan Stanley in Paris, predicts that the CAC-40 will rise to a new record of

2,500 next year. We are rather optimistic," he admitted. But the economic environment does look encouraging. If Germany comes out of recession, interest rates could fall steadily in France and Germany, and that would be a big_boost to the

Other observers take a

Gatt impasse, that the CAC-40 index should reach a new record of around 2,400 in 1994. One reason for their confidence is the corporate sector's promising outlook. Companies have had a tough time in the early 1990s due to the impact of high interest rates and rising unemployment on domestic demand and, since the Septem-

ber 1992 currency crisis, the denressive effect of the strong France:

franc on exports: CAC-40 companies are now approaching the end of their fourth successive year of earnings decline. Next year should mark the start of the recovery. Official figures show that consumer spending was slightly less aluggish during the summer.

The strong franc is still affecting the competitiveness of French exports, but companies are now achieving significant productivity gains after years of low inflation and pay restraint. JP Morgan in Paris forecasts an inflation rate of just 2 per cent in 1994, thereby fuelling further improvements in cost competitiveness next

James Capel expects to see a rebound in CAC-40 earnings of 35 per cent for 1894. But the eventual rate of growth will be heavily influenced by the progress of interest rate reduction and its impact on the economy. Salomon Brothers forecasts a fall in short-term interest rates from the present level of 6.45

ven Mr Edmond Alphan-slightly less rosy view. But per cent to between 4.5 and 5 day, the ascetic econ-most are confident, barring a per cent next year. The progress of the CAC-40 index will also be determined by the flow of funds into French equities. One of the main reasons for

the recent slowdown in the

Paris market is that US investors, who invested heavily during the summer bull run, have stopped pouring new money into France because of the appeal of high ylelds in the US. Most brokers expect to see a fresh influx of funds soon from domestic investors, thereby compensating for the US with-drawal But the French have

historically favoured cash over Savings ratios are still rising suggesting that, in spite of the government's efforts to coax investors into equities through initiatives such as this sumdur hond" issue, the French are still not ready to convert their cash into shares.

Recent reductions in interest rates have already made equities seem more attractive against the dwindling returns

This trend should continue as interest rates fall further next year, thereby providing a new pool of money to bolster

The other main influence will be the volume of new equity arriving on the market Almost FFr100bn (\$16bn) of new shares have already been added this year through the combination of the first two privatisations and a stream of private sector issues. from companies such as Schneider, Axa and Lafarge Coppee, thereby artificially depressing the index.

So far, there has been no shortage of takers for these new issues and most have been healthily over-subscribed," says Mr Harrington of James Capel. "Unless there is a Gatt crisis there is no reason why next year's issues should not be as successful - unless. of course, the government is too greedy and privatises too many companies too quickly."

Bank of Japan move aids Nikkei

Takya

The Tokyo investment community, seeking any sign that the authorities cared about the descending market, was heartened yesterday by larger than expected injections into the short term money market by the Bank of Jacan, and the Nikkel average rose for the first time in four trading days,

Tokyo. The 225-issue index gained 155.81 at 17,222.92 after a day's low of 17,003.30 and high of 17,410.04. The Topix index of all first section stocks improved 5.81 to 1,471.85, but declines led rises by 577 to 467, with 128

issues unchanged.
Traders said sentiment had Improved following Wednesday's comments by Mr Yasushi Mieno, the governor of the Bank of Japan, expressing concern over the recent declines in the stock market and saying that he was "seriously watch-

ing over the movements". Volume was 318m shares, against 310m. London continued to take no short term action on the local Nomura strategy team's "worst case scenario" for the Nikkei, fearing a bottom as low as 12,000. and the ISE, Nikkei 50 index was 1.66 firmer at 1,188.26.

Money market traders said the central bank had pumped Y900bn into the market yesterday, prompting a fall in threemonth certificate of deposit rates to a new low of 2.27 per

moving, let us hope the gov-

stocks," sald Mr Yasuo Ueki at Nikko Securities.

The Nikkei fell in early trading, but later firmed on buying by tokkin, or specified money trusts, and life assurers, who were encouraged by the BoJ's stance on the money markets. Arbitrage selling and margin unwinding later hurt the index, but a rise in the futures market in the afternoon

traders said that selling pres-sure will remain strong ahead of the settlement of futures and options contracts on December 10.

ume of 23,5m shares. Shimano

Roundup

Pacific Rim markets put in a mixed performance. HONG KONG was buoved by

Hang Seng index finished 48.25

higher at 9,296.31. The mood,

plans this weekend. Swire Pacific "A" surged

In spite of yesterday's rise,

East Japan Railway rallied Y3,000 to Y439,000, while NTT lost Y7,000 to Y723,000.

Banks continued to lose

ground on fears of mounting bad loans. Some investors fear that the recent fall in the stock market will hurt banks, which are trying to write off such assets, covering the losses by realising profits on share-holdings, industrial Bank of Japan dipped Y30 to Y3,170 and Bank of Tokyo lost Y50

to Y1.660. In Osaka, the OSE average rose 47.70 to 19,230.96 in volthe bicycle parts maker, moved ahead Y70 to Y2,800.

a late round of buying after a day of uncertain trading. The

however, remained inhibited by the outlook for the 17th round of Sino-British talks on Hong Kong's political reform

ahead HK\$4 to HK\$56; after the market closed it sold one-third of its Swire Aviation unit to Citic Pacific for HK\$120m. Citic retreated 30 cents to HK\$20.50.

ing, with the All Ordinaries index adding 9.6 at 2,042.0 in thin turnover of A\$462.5m. News Corp gained 80 cents at A\$10.10, while BHP shed 6 cents to A\$17.08 after having spent most of the session in

positive territory. SINGAPORE's activity was dominated by Malaysian shares traded over the counter. and the Straits Times Indus-trial index moved forward 10.38

to 2.091.17. SEOUL ended an active day sharply lower on aggressive across-the-board profit-taking by both institutional and individual investors, and the composite stock index slipped 9.56 to 819.42. A smaller than expected flow of customer deposits into securities houses dampened expectations of a liquidi-

ty-driven rally. TAIWAN was firmer in moderate trading ahead of tomorrow's local government elections. The weighted index climbed 8.64 to 4,198.52 in turn-

over of T\$21.1bn. **KUALA LUMPUR** was steady in thin volume, with cautious buyers picking up selected stocks and the composite index moving within a five-point range before ending just 0.01 higher at 970.31.

BANGKOK saw broking ones Phatra Thanakit hit its 10 per cent downward limit at the close losing Rt85 at Rt836. This followed news that the stock exchange authorities fined Phatra Thanakit Boom for an erroneous sell order of Avudhya Investment and Trust.

shares on November 17. having been suspended since then: Ayudhya Investment

rose Bt12 to Bt141. The SET index declined 12.41 to 1,309.26 in turnover of

Bt11.05bn. MANILA slipped as investors took profits after trading began in Benpress, a media and power holding company. The issue, offered at 3.50 pesos, traded up to 12.25 pesos before closing at 10.50 pesos. The composite index receded

21.79 to 2,350.61 in turnover of BOMBAY ended slightly higher on late buying, reflecting hopes that carry forward costs to be fixed today

would be lower than expecta-tions. The BSE 30-share index advanced 24.59 to 3,077.94. KALACHI cused at the close on profit-taking and the KSE index finished 2.44 down on balance at 1,702.52, having opened 9.03 points ahead on reports that the US wants to lift sanctions on Pakistan.

NEW ZEALAND edged for ward as the market awaited the formation of a new cabinet. The NZSE-40 index finished 1.85 up at 2.080.31.

This announcement appears as a matter of record only.



(Incorporated in the Republic of Bolivia)

US\$ 20,000,000

EURO-CERTIFICATES OF DEPOSITS PROGRAMME

Dealer **ING BANK**

Structurer and Arranger ING BANK

Internationale Nederlanden Bank

September 1993

NATIONAL AND REGIONAL MARKETS	US	Day's	WEDNES Pound	DAY NO	OVEMBER 24 198		Local	Gross	TI	JESDAY N Pound	MOVEMBER 20 1943					
Figures in parertheses show number of lines of stock	Dollar	Change	Starting Indies	Yen Index	DM Index	Currency Index		Div. Yield	Dollar Index	Sterling Index	Yes Index	EM Index	Local Currency Index	1993 High	1993 Low	Yes ago poppo
Australia (69)		+1.4	162.51	104.64	115.46	153,12	+1.1	3.35	150.94		103.52	139.49		162.83	117.30	
Nustria (17)		-0.6	170.14	116.74	151.15	160.93	-6.9	1.06	171.72		117.77	151.88		184.47	131,16	139
3etgum (42)		+Q.1	152.35	104.52	135.34	135.94	-0.4	423	152.82		104,81	135.15		156.76	131.70	
Canada (107)		-0.1	132.37	90.82	117.56	127.90	+0.1	2.61	132-98	132.72	91.20	117,59		135.54	111,41	112
Denmark (32)		-0.1	233.15	159.97	207.12	214.9	-0.2	1.08	234.22	233.76	160.64	207.13		241.06	185.11	186
mand (23)		-0.6 -0.1	119.19 159.82	81.79 109.85	105.89	145.75	+0.2	0.72 3.13	118.96	118.73 159.68	81.59 109.56	105.21		125.99	65.50 142.72	
France (98)		+0.0	123,47	8F 85	115.01	115.01	+CL1	1.85	129.98	129,73	89.16	114.85		173.05 136.13	101.69	
long Kong (56)		+23	375.39	257.56	333 49	373.66	v2.1	2.92	120.00 120.41	367,89	252.67	325.62		394.34	218.82	240
retand (14)		+0.3	171.91	117.95	170.70	171.67	-0.2	3.29	172.05	171.72	118.00	182.15		177.80	126.5	134
aly (70)		+3.2	59.50	40.82	52.86	75.02	+2.6	2.23	57.59	57.77	39.70	51,16		78.93	\$1.78	
apan (469)		-1.6	136,48	83.64	121.26	93.64	-1.9	0.87	139,18	138.00	95.45	123.09		185.91	100.75	104
Adaysia (80)		+0.5	468.08	321.15	415.81	441.58	+8.5	1.51	487.40		320.65	415.00		457.72	251.88	274
Jewco (19)		-1.1	2001.42	1373.23	1777.98		-1.0	0.72	2030.36	2026.38	1392.51	1765.54		2030.36	1410.30	
istherland (26)		+0.1	187.87	128.77	166 72	184.20	+0.3	3.23	188.11	187,74	129.01	106.36		197.07	150.39	
low Zoaland (13)		+1.0	62.72	43.04	55.72	60.92	+0.8	3.57	62.35	62.23	42.76	65.14		65.35	40.56	41
(orway (23)		-1.1	171.75	117.85	152.56	173.08	-1.2	1.47	174.24	173.00	115.50	154.00		165.10	137.71	140
3rigapore (39)		-0.4	308.35	217.57	273.92	227.68	+0.2	1.41	304.24	507.63	211,41	272.58		122.55	207.04	195
South Africa (60)		-0.6	222.38	152.57	197.53	211.67	-1.5	2.55	224.49	224.05	153.96	198.62		220.39	1433	
Span (42)		-1.5	131.56	90.27	116.87	138 39	-12	4.32	134.03	150.77	91.92	118.53		145.24	115.23	115
Scredun (36)		-0.3	180.63	123.96	160.52	224.77	-0.3	1.55	181.92		124.77	100.86		206.92	149.70	
Switzerland (50)		+0.3	120.23	100.34	129.92	135.80	+0.4	1.50	146.36	148.07	100.30	129.45		148.18	108.91	103.
Inted Kingdom (218)		+0.1	184.53	126 60	163.92	184.53	-0.1	3.80	186.00	184.64	120.07	190.60		193.97	198,00	164
#\$A (518) ,		+03	187.47	128.63	168.54	188.15	+0.5	E.75	187-02	187.75	128,62	165.84		191.50	175.36	175
		•0.2	154,59	106.07	137.34	140.64		3.04	154.92	154.62	106.26					
urope (751)		-0.2	177 01	121,45			+0.1					137.01		182.97	133.92	
lordic (114)			145.79	100.03	157.25	189.42	-0.2	1.31	179.00	177.85	122.08	157.42		104.54	142,13	149
		-11			122.51	100.88	-1.4	3.16	147.96	147.87	101.45	130,85		102.80	105.80	108
uro-Paoric (1465)		-0.6	149.33	102.45	132.65	121.85	-0.6	1.96	160.74	150.44	103.00	133.10		162,86	117.20	116
larth America (625)		-03	184.03	126 25	163.51	184 01	+0.3	2.74	104.12	183.76	126.29	162.85		187.06	177.61	171
uropa Ex. UK (533)		+0.2	135.55	23.02	120,44	129.33	+0.2	2.48	135.83	139,54	93.16	120.12		143,73	112.51	112
recatic Ex. Jupan (245)		+1.5	235.30	161,47	209.05	218.87	+1.4	2.70	232.66	232.20	158.50	205.77		245,12	162.70	167
Vorid Ex. US (1651)		-06	150.83	103.50	133.99	124.65	-0.8	1.98	152.24	181.94	104.42	134,64		162.69	118.51	118
World Ex. UK (1951)		-0.3	159.92	109.74	142.08	140 34	-5.4	2.10	180.92	190.61	110.37	142.33		198,86	13422	
Norld Ex. So. Al. (2109)		-0.2	161.77	111.00	143.72	143,70	-0.3	2.27	162.71	162.30	111.00	143.91	144,18	170.46	137.20	137.
Norld Ex. Jazzan (1700)	177.88	+0.3	177.24	121.62	167.47	174.26	-0.3	2.82	177.32	176.98	121.63	136.84	173.81	181.67	157.47	158

The World Indox (2169)........ 162,58 -0.2 162,09 111,22 144,00 144,26 -0.3 2,27 163,04 162,72 111.00 144,76 144,76 170,00 137,32 137,46

county has responded with the launch of an economic strategy forum

The idyll is clouded

been seen as one of the more fortunate English countles, with a rural prosperity suggested by its: Cotswold villages, grand country houses, the Royal Agricultural College at Circnester, and the Chel-tenham Gold ! Cup. It is assumed to be a shire where

the living is good.

Today, the image is flawed.

The county is indeed a pleasant place to live and work, and leading companies have chosen to be based there: state-owned Nuclear Electric, Gulf Oil (GB), Eagle Star insurance group and Mitsubishi's Colt Cars are among them. They have been attracted by the skilled and stable workforcs, good access to the M4 and M5 motorways, and by being within reach of London but able to enjoy lower property and labour costs.

The population has risen steadily, boosted by relocations, especially in financial services. In just two years to September 1989, 21,000 net additional jobs were created. only 2 per cent of the labour force. Contrary to the popular image, the backbone of the economy - once provided by sheep and woollen mills - is manufacturing, and especially engineering and electronics.

But here is the catch: no fewer than 14 per cent of the companies are estimated to be

Gloucestershire has always aerospace industries, with Dowty, Smiths Industries and the government's GCHQ at Cheltenham among the biggest these industries is happening at a time when the recession has stopped growth in finan-

cial services and in tourism. In just three years, unem ployment has nearly trebled, rising from only 3 per cent in 1990 to 8.8 per cent in September. This represents 22,000 peo-ple, 1,500 fewer than last February and still below the national average, but the differential has sharply narrowed.

Industrial restructuring increases the vulnerability of regional plants. The head office of Dowty moved out of the county after last year's take-over by TL Earlier this year, there were big job losses in Gloucestershire, when Meko International, a mining equipment company, subject of a buy-out from Dowty, merged with Dobson Park Industries and work was consolidated in

"The regional economy is under very great pressure," says John Sewell, leader of the Liberal Democrats, the largest group on the county council. In economic development terms, Gloucestershire is caught between the grants available in south Wales and the effects of the M4 motorway corridor, which stretches as far



between the heavyweight cities of Bristol and Birmingham. "What we have to do," says Mr Sewell. "is to form the seedbed for new businesses to grow - there is simply no other way round it. We have a very skilled workforce; we have lots of people with ideas."

Economic planning for such seedbed is clouded by the uncertainties that surround the future of local authorities. In its draft proposals, the Local Government Commission recommended replacing the county council and six district councils with four unitary authorities. And the council has been capped by the governyear, and has had £10m lopped off its proposed budget.

All three political parties had voted in favour of the higher budget: (The council has been hung since the mid-1980s, but in May the Liberal Democrats increased their share of seats to two short of an overall cation, in particular, is suffer-

ing as a consequence of the capping. As for the proposed council reorganisation, he

describes the commission's proposals as a non-starter. All three parties had voted for the status quo.
Michael Honey, the council's chief executive, is confident

Defence cuts a blow to inclustry: "10,000 lost jobs" Financial services: the head-office factor location: an alternative to the expensive south-east Rural areas: the Cotswolds and the Forest of Dean Training: investors in people; seeking university status .. that the commissioners are now listening. "The public is saying it wants the existing

two-tier structure, which

works very well here; and it is

certainly not worth spending

£20m or more and going

through all the upheaval to

unstitch it. From the business

point of view, the message we have heard loud and clear is: if

between the public and private sectors. "Ways need to be found to ensure unemployment is brought down by getting the local economy to outperform the rest of the UK," Mr Honey says. The forum will be co-ordinated with similar initiatives in neighbouring counties to create a more effective voice. "People realise we have to be

enough clout to look strategi-

ting up of an economic strat-

egy forum, a partnership

cally at the issues."

IN THIS SURVEY

part of a larger sub-regional status quo, go for a single uniforce in order to be successful tary authority, which has in getting inward investment into this part of the country. He remains optimistic. "One The need for this clout of the great assets is the delightful environment which resulted this year in the set-

is one of the attractions to firms staying here and relocating here. It is a thriving economy, even though it is suffering obviously from the rundown in the defence industries. But we have an economy rapidly retooling itself and diversifying into other areas." Some defence-related companies have been slow to do this, but a strength of Gloucester shire is the variety of small

businesses and often high-tech companies. Roger Empson, managing director of Krone (UK) Technique, a Cheltenham-based subsidiary of a German company making patented telecom and data connections systems, says it has more than doubled its turnover in the past six years to over £20m and is highly profitable.
"The Germans are convinced absolutely the right decision for market, technological and productivity reasons.

Other significant companies their own market include Racal-Redac, the Tewkesbury-based subsidiary of Racal Electronics and the world's third largest software company for electronic design automation. Norville Optical, a family-owned company based in Gloucester, employs more than 800 people and describes itself as the UK's largest optical supplier. Sapa Holdings, with has big market shares in win-

dows and doors. Vince Taylor, of the accountancy firm Coopers & Lybrand, which is advising the strategy forum, says: "The county has a large number of world-class companies and in some ways has been more of a leader than follower. It has been able to generate its own exports, which is interesting given that a lot of people think all the pen in the east, because that is nearer continental Europe." This may be a good portent.

since the Channel tunnel, due to open next year, otherwise threatens to emphasise the county's peripherality. Another positive indicator is that the head-office culture, and natural environment, should continue to attract senior staff and encourage a network of support companies The strategy forum shows a

recognition that, while Whitehall may adopt an attitude of laisser faire, Gloucestershire itself has to act to stay in the forefront of places to live and work. The expansion in the 1980s may have been counterproductive in one respect: it gave the impression to the outside world that Gloucestershire did not need more investment. As John Cripps, chief execuber of commerce, says: "The message now is Gloucestershire is not closed for business

HEPEFORD &

MEMORANDUM

TO: UK industry Global industry

COPY: Gloucestershire industry

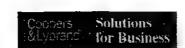
- Over 33,000 businesses now operate successfully in Gloucestershire; from one-man bands in Cotswold villages like Bibury to world class companies in, for example, Cheltenham and Gloucester.
- The county boasts superb links with the UK's motorway network and easy access to air, sea and rail transport.
- A high quality workforce is available with particular skills in financial services, high technology, precision engineering and manufacturing.
- Gloucestershire is widely acknowledged to be one of the finest places in Britain in which to live and work.

NOTE

The Gloucestershire Economic Strategy Forum has been formed to build on the success of business life in Gloucestershire.









Gloucestershire Chamber of Commerce; Gloucestershire County Council; CBI; Gloucestershire TEC; TUC

> For further information about business opportunities in Gloucestershire. please contact:

Tony Burley Head of Economic Development Unit Gloucestershire County Council Gloucester GLI 2TN Telephone 0452 425696

George Irvine conomic Development Executive Gloucestershire TEC Conway House 33-35 Worcester Street Gloucester GLI 3AI Telephone 0452 524488

Coopers & Lybrand Lennox House Spa Road Gloucester GLI 1XD Telephone 0452 42303 l

A partnership between public and private sectors to promote the prosperity of Gloucestershire

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Sectors in partnership: Roland Adburgham on the economic strategy forum

Harmony in the corridors

In Gloucestershire, As in other parts of south-west England, there is an awareness that an individual county, in terms of its economic development, mcreasingly lacks the muscle to fight its corner.

In the past, the south-west has done well enough to be unconcerned that it lacked agencies to promote the region and attract inward investment. But the recession and the rundown in the defence industries. on which the region is heavily dependent, have forced a rethink. Neighbourly and political rivalries are being set aside in an attempt to have a louder, and more united, voice in the corridors of Whitehall

This year has seen the creation of the Western Development Partnership in Avon, and Westcountry Development Corporation for Devon and Cornwall. These are two public and private sector partnerships designed to provide a strategic overview. Now Gloucestershire is proceeding down a similar

It linked with Avon and Wiltshire this autumn to apply for the European Union's Konver funding, intended to support projects in areas suffering from defence-related job losses. Influential players in the county are now setting up an economic strategy forum with representatives from the county council, training and enterprise council. Gloucestershire chamber of commerce,

the CBI and the TUC. Mr Tony Burley, the county council's group planning offi-cer, says: "The need is to collaborate on action - and one cannot do that without a strategy forum. It has become clear that in the future we need to co-ordinate and put limited resources together." Whatever the outcome of the local government review (which proposes abolishing the county council and creating unitary authorities), such a body would be required to provide

an overview. Mr Graham Hoyle, chief executive of the Tec, says there is unanimity that the forum needs to be made to work and to resource the action it are-"A fundamental strength of Gloucestershire is

KEY FACTS

Area: 1,020 sq miles. Population: 541,000. Total labour force: 250,000. County city: Gioucester (pop. 105,000). Largest town: Cheltenham (107,000). Members of Parliament: four Conservativ

ADDRESSES

Cheltenham Borough Council, Promenade, Cheltenham GL50 1PP Cheltonham & Gloucester College of Higher Education, FO Box 220, The Park Campus, Cheltenham GL50 20F (0242-532700).

old District Council, Trinity Road, Cirencester, GL7 1PX Gloucester City Council, The Docks, Gloucester GL1 2TN (0452-522232). Forest of Dean District Council, Coleford GL16 8AG (0594-810000).

Gloucestershire Chember of Commerce & Industry, Conway House, 33-35 Worcester Street, Gloucester GL1 3AJ (0452-395161). Gloucestershire County Council, Shire Hall, Gloucester GL1 2TN

istershire Training and Enterprise Council, Corevey House, 33-35 Wordson Street, Glouceser G. 1 3AJ 19452-224488). Stroud District Council, Stroud GL5 4UB (0453-786321). Tewkesbury Borough Council, Gloucester Road, Tewkesbury Gl.20 5TT (0684-295070).

that it has tended to move with the times. But there are now two snags. Defence and armedforce bases have been a strength for 30 or 40 years. Insurance, particularly, and banking have been strong in the 1270s and 1980s. But the peace dividend has led to the ctual shedding of staff, and in financial services the growth has ceased." In addition, inward investment had dried

"Gloucestershire is still seen as a very attractive and prosperous county - and still seen that way in Whitehall - with below national average unemployment, a mixed economy, a asant place to live - tucky "But if Gloucestershire does nothing, it is on a downward slope. There is a recognition that It has to do something. and it is sensible to plan what

Public and private sector partnerships are already examining education strategy and seeking to identify the county's future sunrise industries. In September, the forum commissioned Coopers & Lybrand to carry out a three-month study to help to prepare its strategy. Presentations are being held to make the broader community companies, banks, utilities and colleges - aware that

Choncenterablire needs to act. Mr Vince Taylor, consultant

with Coopers & Lybrand, has been analysing the results of a questionnaire sent to public and private sector agencies. "I was very surprised at the high "There seems to be broad

They would like to see Cloucestorabire vo-established as a leading region within the UK. They want to see a balanced economy of manufacturing and commerce, rather than as in the 1980s when commerce was appearing to dominate. Education features strongly as underpinning the employment skills.

Gloucestershire, he points out, is one of the leading British counties in terms of hightechnology employment, but its position has been weakening, because of the contraction. of the defence and aerospece

The county is, he says, perceived to be a high-quality location, if rather in the shadow of Bristol and Birminginward investment, the county needed to correct an image problem, dating back to the late 1980s, of appearing to be full - that there had been enough growth, that the market for labour and property was very tight.
"I think the door has to be

re-opened to inward investors. But Gloucestershire cannot just say we're open for busi-ness. In order to preserve the quality of life, it has to be very selective — to have a rifle-shot

One strong message from the questionnaire, he says, was the need to preserve that quality of life. People unanimously thought the natural environment was very good, and the vast majority said it mattered to their organisation in order to retain staff."

The forum will need to take account of local initiatives, For example, Cheltenham has already set up its own business forum and action group to develop an economic strategy for the town, intended to sustain existing businesses and attract new ones. It also has to take account of

the county's geography. While the Gloucester, Cheltenham and Tewkesbury triangle is its economic heart (traditional rivairies have often prevented it from beating as one), individual parts of the county look outwards in different directowards Bristol, the north lowards Birmingham, the east bowards Swindon and Oxford.

The forum will have to liaise with the neighbours to develop a sub-regional approach. Mr Hoyle says: "If Gloucestershire nomic plan within its houndaries full-stop, it is unlikely to be successful. In getting a Gloucestershire strategy together, that has to be done with a degree of collaboration with neighbouring counties."

Mr Chris Curtis, director of

the CBI's south-western region. and a forum member, stresses the importance of the forum but also of this sub-regional coordination. Brussels was increasingly looking at a Surope of regions rather than nations, and Gloucestershire would need to look beyond its own borders. "Glouce on its own has not the depth of resource, but needs a wider horizon for strategic planning,"

"The CBI believes that, in the very long run, the people who live in the south-west ought to consider a regional development function covering all seven counties of the

he says:

David White examines the effect of defence cuts on industry

'10,000 jobs lost' says report

The name Gloster evokes quite different associations from the other spelling of the name. While most people's image of Gloucestershire has to do with peaceful settings — Cotswolds, vales, forests, and spas - it is deeply involved in the military

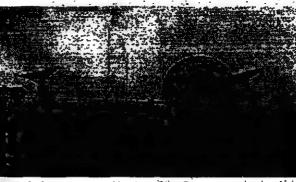
Gloster was the aircraft com-

party that made the Gladiator biplane and the Meteor and Javelin jets. It was set up in the first world war as the Gloucesterahire Aircraft Compan you the premises of a Cheltenham firm. One of its employees, George Dowty, branched out to found the parts company that became Gloucestershire's biggest industrial concern. Unlike Dowty, however, which survives as part of the TI group, Gloster Aircraft Company has disappeared, its name swallowed up in the series of merg-

ers that led to the creation of And then there are the Glosters - the Gioncestershire Regiment, also known as "The small "hack-badge" on the back of their head-dress, commemorating the 1801 battle of Alexandria when they fought simultaneously to their front and rear. The regiment will just be able to celebrate its 00th anniversary next year before it, too, is swallowed up in a merger, making way for an amalgamated Royal Gloucestershire, Berkshire and Wilishire Regiment.

area hard. In the industrial sector, where, besides Dowty and Smiths Industries, there range of contractors producing everything from bearings and ering equipment to decoys

Defence cuts have hit the



GCHQ, the largest arm of British intelligence, remains closiend in secrecy

sion in other markets, making the transition away from lence on defence much

A report produced this month for Gloucestershire county council suggests that total defence-related employment, now around 26,500, has shrunk by almost a third in the last three years. More than 10,000 jobs are reckoned to have been lost in the defence equipment sector, including sub-contractors, as well as some 2,000 civil service posts. The report forecasts more than 4,500 more job losses by the end of the decade, with direct reduced to just half the 1990 level. Gloucestershire has joined forces with neighbour ing Avon and Wiltshire in applying for a share of the European Union's Konver fund for vulnerable defence-dependent regions. The application to support a £4.5bn investment programme aimed at business development investment ing and rehabilitation of military sites, was submitted last month_

The three counties suffer in

defence dependency lies mainly in its concentration of military bases, Avon's in its large aerospace and defence equipment sector. "Gloucester-

hire's got the lot," says Mr Tony Burley, of the council's Economic Development Unit. Besides scattered army and RAF bases and maintenance units, Gloucestershire is famously home to the Government Communications Headquarters (GCHQ), the electroulc monitoring agency which is the largest arm of Britain's intelligence services. Closely linked to its US counterpart, cloaked in secrecy, and undisturbed by trade union activity, which has been banned since 1984, it has two main sites at Cheltanham, now rackoned to employ 6,500-7,000 civilians. But even this is secret.

The local economy tied to military bases has also suffered, particularly from the rundown of US Air Force operations in Europe. The US base at Fairford, from where B-52 bombers flew 7,500-mile missions against Iraq in the Gulf war, is mothballed. The USAF and RAF have both abandoned Kemble, a former hospital at Little Rissington

has also closed. industrially, defence remains prominent among otherwise disparate activities, ranging from Birds Eye Walls' ice-cream factory, which employs about 1,000 at Gloucester, to Rank Xerox's copier plant at Mitcheldean , whose workforce of 1,800 is one

of the largest in the county. Some of the main non-defence industries have also been facing particularly depressed markets. Du Pont, which took over ICI's nylon fibre plant at Brockworth, is reducing employment by a quarter to 750. The Lister-Petter diesel engine plant, at Dursley, now part of the BTR group, is the sole survivor of five main sites. leaving 900. It has staved off further cuts by diversifying into defence - a US military contract for generator engines, which has boosted the business by 10-15 per cent.

Most defence manufacturers are, meanwhile, seeking ways of diversifying in the other direction. But this is proving especially hard for smaller

An exception is Lydney Prodncts, a plywood and veneer producer in the Forest of Dean which used to rely heavily on supplies for navy wardrooms and the like in the last six years, it has built up civilian although this has not stopped the number of employees falling from a peak of about 200 to 90. Defence now accounts for only 15 per cent of the business, says Mr Nigel Haig, commercial director, adding: "It can't help being a declining

High flyers encounter turbulence

ershire's high profile in the aerospace equipment sector - Dowty and Smiths Industries, writes David White. Although both remain world leaders in some technologies, as well as being principal industrial employers in the Chelten-ham-Gloucester area, they have both bees hit by a cruel combination of cuts is ce expenditure and depression in the

Dowty, with unique status as a homegrown Gloucestershire company of inter-national standing, succumbed last year to £497m hostile takeover by the TI group. The old headquarters building at Arie Court, Cheltenham, has been put on the market. The company is now hased with

represent Ti at Abingdon, Oxfordshire. Focusing on core aerospace businesses. Il has since September sold Dowty's fuel systems subsidiary to Lucas and its electronics interests to a new company, Ultra Electronics, in a management buy-out. This leaves Dowty Aerospace with activities in landing gear, propellers and hydraulics. The military share of sales has dropped from 90 per cent in 1985 to about 25 per cent, partly reflecting the large share of landing-gear work now done for Airbus. The three sites now employ 1,700, a reduction of 15 per cent since the takeover, and barely a fifth of the Dowly workforce in

the region in the early 1980s. Cheltenham also has Smiths Industries' largest aerospace factory, employing

about 2,300. Its civil side supplies avionics for Boeing and other airlines, and its military side makes displays for fighter jets, including several US aircraft. About 1,000 are engaged at Cheltenham in each of these activities, with a further 300 in a separate product support operation. Unlike most companies involved in defence, Smiths says it has not tried to en its dependence on the military sector, and is eager to exploit opportu

for upgrading existing combat sireraft.

In the medium and longer term, the company is optimistic about both prospects in both the civil and military mar-kets. A 25m investment in a new 60,000 sq ft repair facility, being opened today, testipes to its confident mood.

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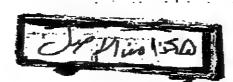
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GLOUCESTERSHIRE 3

Roland Adburgham traces financial services' rise

As a regional centre, a limit-

ing factor is the proximity of

the larger financial communi-

ham, and the big companies

tend to retain London-based

auditors, law firms and adver-

tising agencies. KPMG Peat

Marwick, the accountancy

firm, closed its Cheltenham

office this year, although Coopers & Lybrand and Grant

Thornton keep offices in Gloucester. "A local presence

is important, because the

Gloucester office has its own

expertise," says Mr Nicholas

Houghton-Brown, of Coopers &

Thornton's managing partner in Gloucester, says: "Relative

indigenous professionals can

handle it very well." A leading Gloucestershire-based accoun-

Even in the present climate, investment has not ceased in

the county. Endsleigh, which

employs 350 people on seven sites around Cheltenham, has

just bought a 28-acre site on

the outskirts where it plans to

tancy firm is Hazelwoods.

Mr Darryl Whitehead, Grant

The head-office factor The biggest single influence on the Gloucestershire economy during the 1980s was the huge rise in jobs in banking, insur-

ance and financial services. The increase, between 1987 and 1989 alone, was almost 12,000, taking employment in the county to over 25,000, as indigenous companies expanded and others relocated. driven away from the London area by high rents, labour costs and the difficulties of recruitment.

By 1991, the recession had already cost some 2,000 of those jobs as the industry, as elsewhere in the UK, retrenched. The question is whether the sector, which is concentrated on Cheltenham and Gloucester, can now stabilise as a significant, although second-tier, regional

If the community was restricted to a "back office" function, then computerisation would mean future employment prospects were poor. In fact, the county has a good share of head offices, some of which are long established

The most important relocation has been by Eagle Star, the BAT Industries subsidiary, employing 3,000 locally

and which should be able to continue to attract senior staff. Cheltenham & Gloucester building society, the UK's sixth largest, has always been based in the county, as has the much smaller society, Stroud & Swindon, which has 25 branches. Chelses building society with see building society, with 50 branches, set up its headquarters 20 years ago at Thirlestaine Hall, a Victorian mansion in Cheltenham, and extended it in 1987. Endsl the insurance company which this season started sponsorship of the football league, moved to the town from London 20 years

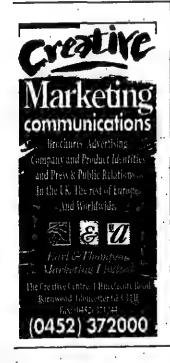
Northern Star Insurance, the Italian-owned general insurer, moved from Croydon to Gloucester 10 years ago and has expanded to over 350 staff locally. Ecclesiastical Insurance is also based there. Another headquarters is that of the Canadian owned Lauren tian Financial Group, which moved from Guildford in 1986 to set up shop at Barnswood on the city's outskirts. (Also at Barnswood is one of the main

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In Chaltenham, there is Royal Bank Leasing and Merwhich moved much of its Although its headquarters remains in London, it has more staff based in Cheltenham, nearly 400. There was, how-



ever, a reassessment of group staffing levels last year, which led to about 50 local redundan-

tion has been by Eagle Star, the BAT industries subsidiary. Last year it joined its life sub sidiary in Cheltenham by moving its head office and general insurance business from London to a new 170,000 sq ft just outside the town. The group employs 3,000 people

Mr John Bishop, chairman of Eagle Star, which worldwide has 212bn of funds under management, says the relocation was initiated by the need to expand and the difficulties of finding a large enough build-ing in London (the move was accelerated by IRA bomb damage to its existing City offices.) Mr Bishop - whose office now overlooks a parkland of sheep - says of any disadvan-tages of being out of London: There is none at all as far as Eagle Star is concerned." He. points out that many insurance companies are now based outside the capital. "We are a national company that hap-pens to be based in Chelten-

The company; he says, has been able to improve its effi-ciency. "We are able to operate as an entity, and the whole thing works much better. We have our costs under control We are convinced that, in the long term, this was the right thing to do, with real economies by being here and being do, and which will stand Ea Star in good stead in the

Mr Bishop sees no reason why the county should not continue to attract financial services companies. "If I were in London looking for somewhere to come, this region would be high on my list,

The Eagle Star Life subsidiary moved its own headquar ters in 1968 to Cheltenham where its 13-storey tower block, now being refurbished, mark. The head office has moved this year to a building with a facade more in keeping with the town's architecture.

"I can think of very few dis-advantages to being in Cheltembern, and the quality of life is very good," says Mr Ian Owen, Regie Star Life's managing director. "There is good access, good employment, good than in London."

Other than Ragie Star, the last sizeable relocation was registrars department, which mpleted a move from the City of London in 1991. It occunies a £18m building of pearly 180,000 sq ft in Gloucester, where it employs 860 peop

nost of them recruited locally. The Bank decided, in 1987, to move the department on cost grounds, it needed a large building at a lower cost than could be found at that time in the London region, but needed to stay within reach of the City, because of the physical exchange of paper – its main function is the registration of gilt-edged securities. It concluded that Gloucester fitted

the bill. One important factor in the future will be how support services develop to give the local sector more depth and range of employment. One new com-pany is Mariborough Stirling, in Cheltenham, set up in 1988 to sell tailor-made software and business solutions for the sector. It has grown rapidly to over 90 staff, and its clients include some of the leading companies within and outside the county. Mr Huw Evans, its managing director, sees "e mous scope" for further.

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Profile: Cheltenham & Gloucester Building Society

'Time to let the people know we're big'

For the first 20 years in the life of what is now Cheltenham & Gloucester Build-

Today, the directors meet in C&G's oleted in 1989 at a cost of £30m.

were concerned that we didn't have the awareness that some other societies

Gloucestershire helps us in that."

consolidate. "It is a statement of our comment to Gloucestershire as the future focal point of the company," says Mr Stuart War-talski, of Endsleigh.

ing Society, founded in 1850, the directors met monthly in a Cheltenham hotel, paying £6 a year for the room.

chief office at Barnwood, near Gloucester, a 185,000 sq ft building In between times, the society has grown to be Britain's sixth biggest.

with assets of £16.5bn. Mindful of its

original prudent directors, it stresses

that it is the most cost-efficient of the big UK banks and building societies. This year, it launched a television advertising campaign with the slogan "We're run to make you richer." Mr Roger Burden, operations director, says: We thought it was time to let people know C&G was big. That is the theme of the campaign - name awareness. We

C&G likes to be different - this month it stopped selling mortgage endowment policies - and the campaign's slogan tries to reinforce this. "Many of our accounts have quite high minimum balances if you want to invest in them," says Mr Burden, "We do tend to think of ourselves as being slightly upmarket as a building society. I think

Within the county, no one can be unaware of C&G. Mr Burden says: "We know we're very strong in the county -on the investment side we have over

Of the society's 3,000 staff, 900 are at its headquarters, built on a greenfield site at Barriwood

mortgages in the county. In terms of investors, we're probably in every other home on average, and in borrowing probably have 20 to 25 per cent of the market." (Nationally, the society has more than 330,000 borrowers.)

People in Gloucestershire, Mr Burden says, tend to borrow a lower proportion of their house-purchase cost than elsewhere, and mortgage arrears are lower. "The county has not escaped this recession but it has been quite stable. It is a solid foundation for us." To reinforce its position, C&G concentrates sponsorship locally - especially on sport - rather than nationally.

The society's half-year results to June 30 showed a 71 per cent rise in pre-tax profits to £75.3m, after an improvement In provisions for bad debts. In 1992 the provisions were £217.8m. The half-year results were described by Mr Andrew Longhurst, chief executive, as "a solid

Burden says the fact that house prices have now stabilised "has done marvels for people's confidence. They say maybe the house is worth keeping.

C&G was one of the first building societies to computerise, for which Mr Longhurst was responsible when he joined the society in 1967. "Technology is a very important part of controlling our costs, but it is only one part," says Mr Burden. "We rely on good staff, on training, and we also have a simple and

focused approach to our business.
"We've decided not to go for the high transaction banking type-customer, so we don't have cheque-books, we don't have cash dispensers - probably the only building society in the top 10 that doesn't. We don't try to be everything to everyone. We try to stick to the knitting and do what we do best."

The society has 235 branches, many fewer than Leeds Permanent, the fifth largest society, which has over 400.

Although the relatively small number helps to contain costs, C&G continues to increase the number.

"We think it is important to be quite large," Mr Burden says. "Size is important in the way we control our costs you cannot control the costs if you start shrinking the business. We think it's a sign of strength to see the business

growing." Last month, C&G merged with Heart of England, based in Warwick, the 25th largest society; in 1992 it took over Mid Sussex; and the year before, Portsmouth building society. Mr Burden says the mergers worked out the way the society had expected, with the exception of Portsmouth. "With Portsmouth, we were disappointed with the quality of their mortgage book – it wasn't as good as we thought it was. That accounted for a large part of last year's loss provi-

sions. But it will come good."

Today, C&G employs 3,000 staff, of whom 900 are in the Barnwood headquarters, which was built on a greenfield site. C&G moved to Barnwood after failing to reach terms with Chel tenham borough council on a council-owned site. "We couldn't agree a sensible price. We got fed up in the end. We were growing the business - the whole idea of the new building was to be big-

ger - so we just ran out of time." The Barnwood staff is now double the number that were at Cheltenham. And work has started on an extension capable of housing another 500.

Roland Adburgham





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Relocation: employers tell Richard Evans their reasons

'Preferable to the M25'

The smart entrance lobby to the Laurentian Life headquarters outside Gloucester was buzzing at two o'clock, as dozens of employees returned by coach from a shopping expedition to the city centre.

Coaches leave at noon and lpm each working day, to enable the financial group's staff to shop during their lunch break: and buses are also laid on each morning and evening. to and from the city centre.

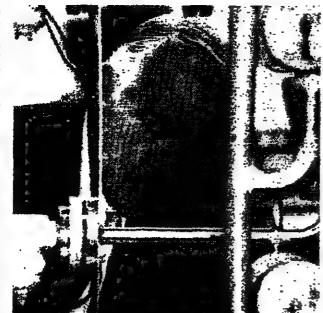
It is part of the company's package of policies to keep the workforce happy in a purposebuilt headquarters two miles from the city centre, following a move from Guildford in 1986. The financial sector has

appreciated the benefit of relocating away from city centres and the expensive south-east more than most, but Gloucestershire has managed to persuade a wide range of organisations to set up headquarters in the county, Among them are Colt Cars, Spirax-Sarco Engineering, Nuclear Electric, Kraft General Foods, and the Countryside Commis-

Laurentian traces its origins back to 1896 and the formation of Imperial Life Assurance of Canada, UK offices were opened in 1931, and in 1977 Imperial merged its operations with Laurentian Group Corporation of Canada. In 1987, the size of the UK operation was doubled when Imperial scouired Trident Life, to form Laurentian Life. Imperial was based in Guildford and Trident life in Gloucester, so the manement had to decide where to base the combined opera-

Three options were considered: locating everyone in either Guildford or Gloucester. or choosing a new base such as Bristol, Southampton or Bournemouth. "It was quickly decided that an entirely new site would involve too great a commercial risk, and there was only so much disruption the company fabric should be asked to take. It became a straight choice between Guildford add Gioucester," says Mr lain Tweeddale, managing

director of Laurentian Life. however. The Guildford buildmg could have accommodated



£1.5bn investments from a pur-

Among the factors that

cester were: housing, with

tipped the balance in favour of

an average house £25,000

cheaper than in the south-east:

education, which was seen as

being at least as good as in Guildford; and availability of

in recruiting high calibre peo-ple, happy to live in this part

of the world ... anything to get

One advantage of Gloucester

for financial services is that it

is within easy motorway range

financial sectors, and this

makes specialist recruitment

Another company that has

found little difficulty in

recruiting technical staff in

what has traditionally been

regarded as a rural county is

Spirax-Sarco Engineering, spe-cialists in the control of fluids.

The company moved to Chel-

tenham from central London in

both Birmingham and Bris-

with their well developed

pose-built dealing room.

Turn Fortune: 'a stable and loyal workforce'

were much higher. Office space in Guildford in 1986 was £12 a square foot, compared with £5 Cloucester would entail building a new headquarters, but salary differentials and a much lower staff turnover would bring substantial benefits.

The decision went in favour of Gloucester, to the irritation many former Imperial employees who thought they should have called the shots as the senior partner in the merger. Around 150 of the 450 Guildford staff decided to relo cate to Gloucester, and a further 200 people were recruited locally in a hectic six-month

mitial training period. The original intention had been to relocate when the new headquarters was built, but it was then decided to move immediately, because of the danger of flagging morale in a long rundown period. Temporary offices were taken at Mitcheldean, in the Forest of Dean, in premises made vacant by a Rank Xerox cutback, and staff were bussed to and from Gloucester for two years.

The landscaped new head-

aging director, has found no employment problems, partly because of skills acquired in the local acrospace and defence industries. "We find the workforce is particularly stable and

loyal," he says.

The Colt Car Company, importers and distributors of Mitsubishi cars, dki not make quite such a calculated decision as Laurentian to set up head- quarters in the county. It happened largely because a couple of the directors lived in the area when the company was launched, and it seemed a nore desirable and cheaper base than London

The company was founded in 1974, as a joint-venture partnership with Mitsukishi Corpooffice was in four rented rooms in Dollar Street House, a converted mansion in the heart of

The historic market town was chosen partly for its con-venience for the directors, and partly because of its more gen crossroads since Roman times It has ready access to London and the south-east, Wales and the south-west, the Midlands and the north.

By 1976 the company had outgrown the small offices, and moved to new purpose-built accommodation in nearby Spitalgate Lane. A second move followed 10 years ago, when the expanding company moved to its present headquarters on a six-acre freehold site at Watermoor on the outskirts of

Because of Cirencestur's historic past, and the fact that the building is the first the visitor sees when travelling from London and the M4, planning restrictions were stringent. The main building, next to an old coaching inn on the Roman Fosse Way, is restricted to two storeys and shaped like a W to hide a big industrial warehouse. The complex houses all the company's sales, parts, marketing, accounting and computer functions.

Colt ran its own dock and hipping compound at Newport, in south Wales, from 1974 until last August, but the operation has just been transferred to the Royal Portbury Dock in Bristol, where larger vessel can be berthed and unloaded.

Colt tries to make the most of its local connections, and uses local legal, technical and Tourism: Roland Adburgham on one of the county's main industries

Councils unite to welcome visitors

It is as evocative a litary as any in England: Sincepscombe, Coln St Aldwyns, Windrush and Birdlip. The names of Cotswold villages conjure up the image of limestone cottages, drystone walls, sparkling streams and wooded valleys, an mage which helps to bring lim visitors a year to the

In course become one of the four leading industries in Gloucesterabire with spending by visitors in 1992 put at £212m. Over 17,000 people are employed by the industry and, on the calcula-tion that each job supports one balf of another elsewhere, it is reclaimed that it austains one in

10 of all jobs in the county. During the recession, as else suffered, and there have been job losses, but fewer than in other important sectors of the local economy. In 1992, visitor numbers to attractions were down by about 2 per cent on 1991. This year has seen no real recovery, although over-seas visitors, encouraged by the devaluation of sterling,

have helped to some extent. About one in five visitors come from abroad, but they account for over a third of all tourist spending, partly because so many of the other visitors - 0.5m of the 11m total

- are on day trips. Although the Conswolds are absect synonymous with Glou-cestershire — nearly all their 800 square miles lie within its boundaries - they are only one reason why people want to visit the county. "The great thing with Gloucestershire is that the county itself is a draw, rather than any one component within it," says Mr Colin Potts, principal tourism officer of Gioucestarshire Tourism, an innovative marketing and development parinership set up seven years ago by the county council and six district coun-

The partnership acts a co-ordinator of these councils' individual programmes and as a link with the Reart of England Tourist Board. For example, Gloucestershire Tourism pro-

and Germany.)
The county benefits by being able to offer what Kr Potts describes as "quintessentially reach of Heathrow, Gatwick Birmingham airports "First timers to Britain will usually go to London first," he morning, one can be in a lovely country-house hotel in perfect English countryside by early

Cotswolds, the county is keen to divert visitors away from the obvious, and sometimes



overcrowded, honeypots. In fact, the most popular single fact, the most popular single attraction is not in the Cotswolds but Gloucester cathedral, where visitors in 1992 were estimated at 450,000.

Glonester, while lacking the regency splendours and quality shops of Cheltenham (and it can boast only one restaurant in the latest Good Food Guide, compared with Chelten four) also has its historic docks. The restoration of these has been the single most important tourist devi in the county in the past 10

river Severn with the Gloucester and Sharpness canal, no longer have any com-mercial shipping. But the 15-handsome Victorian warehouses now include shops, the National Waterways and Regiments of Gioncestershire maseums and the Robert Opie collection of advertising and packaging. An antiques centre. in one warehouse had nearly 400,000 visitors in 1993.

English Heritage is restoring amother of the city's antiqu the 13th century Blackfriars Dominican friary, which is expected to become a big tour-

improved its appeal for visi and residents alike by pedes-trianising part of its centre. Mr David Scott, director of plansays: "I think there is a sense of optimism in the city that we've get tremendous assets;

we're making the best of those

ansets, and we're going to go on improving them." Klowhere in Gloncestershire are such inspired gardens as Hideote Manor and Owlpen Manor. There are the Strond valleys, the Westonbert arboretum, Tewkesbury Abbey, the Wildfowl and Wetlands Trust at Slimbridge, the reman town of Cirencester and Cheltenbara M, with its art gallery, Pitt-

of literature and music On the other side of the Severn is the Porest of Dean, which the walker John Hillah described as "perhaps the most beautiful assembly of trees in Britain." In the south is the Cotswoods water park, flooded gravel workings which are claimed to have a greater water area than the Norfolk Broads.

ville Pump Room and festivals

We took the Romantic Road, an ingenious route through quiet Cotswold lanes devised by Cheltenham Tourism.

Villagers recognise the benefits

October, three quality hotels along the way were fully booked, on the road itself we saw more phoosants than cars. (At the Country Elephant restaurant at Painswick, it was hare rather than pheasant on the menu.)

keep it that way. Mr Potts says: "Our greatest asset is the natural environment, and our challenge is to encourage sustainable fourism to maintain that encourage visitors in the countryside to help sustain farms and village shops, but in such a way that they don't harm the

He points out that the contraction of some other industries will put even more emphasis on tourism, but that it is vital that the county does not become over-reliant upon it, as have some seaside areas. Cloucestershire Tourism is now devising a strategy for the next five years, and is encouraging such activities as walking and cycling and the use of local partiess.

The challenge, Mr Potts says, is to have a good tourism policy under the threat of funding cuts, with no grants available to encourage tourist development, and to counter what he calls the government's "woe-fully inadequate" funding of tourism in England, compared funding for Wales and Scot-

Overnight visitors themselves might themselves require generous funding. A couple staying, for example, in a four-poster bedroom with Jacuzzi bath at the Swan Hotel at Bibury could pay £176 for one night's bed and breakfast. But Mr Potts says this type of hotal has weathered the recession better than some middle ranking ones. This may prove monaterablye cou thrue to trade on quality rather

1939, because of apprehension but still want fewer tourists support services as much as quarters in the Gloucester subabout the outbreak of war, and motes directly in the US a guide for travel agents with hotel prices quoted in dollars. (The US is the main country of urb of Barnwood now houses possible. It is currently sponnow employs 1,000 at its h soring the locally-based Badquarters and 3,000 worldwide. not only the administrative One of the prettiest villages in the Cotswolds is Bourton-on-the-Water, and therefore it is The study comments that the desire among staff but also the whole invest-Mr Tim Fortune, group manorigin among overseas visitors, locals to see fewer tourists "is a surprising statement when compared to the employment one of the most popular. provided to local people in Bourton. . . The For that reason, Cotswold district council

has carried out a year-long investigation to assess the impact of tourism and to devise

a visitor-management plan. The plan's aim will be "to maximise the economic benefits of tourism to Bourton and its environs, while minimisi environmental impact "

Nearly 2,200 visitor were interviewed and and returned by half of these.

Among the residents, the study says, "there

was a general acceptance that tourism had brought benefits to Bourton, but that the village

was not flourising, merely surviving.

This may be a reflection of local views in the light of the current recession. However, when asked how they would like to see tourism change over the next 10 years, by far the most common answer was 'less tourists'. In a way, there is a contradiction in these two views."

economic importance of tourism to Bourton families is undoubted and, perhaps, should be better appreciated by local residents."

The survey found that fewer than one in 10 visitors stayed overnight in Bourton, 40 er cent returned home at the end of the day, and the remaining 50 per cent were touring and staying elsewhere, typically in Bath or Stratford-upon-Avon. The visitors' most popular aggestion for improvements to Bourton was

"From the visitors' point of view," the study says, "Bourton offers all the features we would wish to be seen as indicative of the Cotswolds, rather than a village that has lost some of its character through commercialisation of tourism - yet the more crowded it becomes, the less able they are to appreciate it.'

Roland Adburgham

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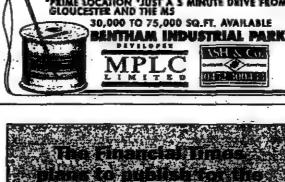
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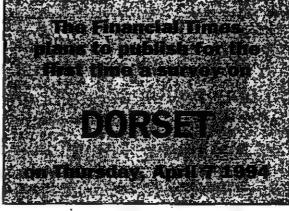
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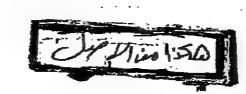


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nesses as potential winners and

give them financial, manage-ment and consultancy help. The

scheme should be launched in

The greatest potential proba-

bly lies in the development of

tourism, where the target is to

create around 1,500 jobs over the

next three years. The area is

already a well known tourist

attraction, and parts can get

crowded in the summer, but

esearch shows that most visi-

tors pass through en route from

London or Oxford to Strat-

ford-upon-Avon, the Midlands

and the north, and that very few

The intention is to encourage

development of good quality

accommodation, to ensure that

more visitors stay in the area and spend more. Mr Smith

believes there are good prospects

for combined part-time jobs in tourism and agriculture. "I find

that farmers can cram more cars

in per acre than an NCP atten-

The plan is to extend the net-

work of walks, cycle tracks and

bridle naths, and to concentrate

on short breaks and activity hol-

Plans are also in hand for the

encourage mobility, more

provision of better bus services,

creches to enable women with

young children to return to

work, and the development of

teleworking, so that more people

can work from home or in their

Richard Evans

January.

Farming jobs wither

one of the most picturesque parts of England, has been hit in recent years by two factors: changes in the structure and needs of agriculture, and a

decline in defence industries.

To meet the growing problems, a Countryside Employment Programme (CEP) was set up 18 months ago, as one of three pilot schemes to help vulnerable farming areas cope with change in the 1990s. An assessment has now been made, and a package of measures proposed.

It is estimated that accelerat-ing changes in agriculture and defence could account for at least 600 job losses in the Cotswolds over the next three years. In an area with a relatively low rural population spread thinly through dozens of villages and small towns, this will have a devastating impact on the local economy if alternative employment is not found.

the CEP by Shankland Cox and Gould Consultants, estimates that 30 per cent of farms are likely to reduce staffing in response to changes in the common agricultural policy and other factors. These redundancies will occur mainly on large farms which are marginal for cereal production.

Over the last 10 years, the

numbers employed on farms have fallen by an average of 5 per cent a year. This is likely to continue, in addition to the impact of the EC reforms and

the Gatt negotiations.

The fall-out from defence restructuring on the CEP area, which covers Cotswold district council, in Gloucestershire, and cit, will be felt through the run-down and closure of Ministry of Defence establishments and reduced defence spending. In Gloucestershire, the impact will come largely from a drop in orders to defence manufacturing companies in Cheltenham and Gloucester.

The area has experienced a sharp rise in unemployment over the last two years, and long-term unemployment is a particular problem, with 40 per cent out of work for more than six months. A third of the unemloyed are in their twenties. The aims of the CEP, a three-

year programme led by the Rural Development Commission in partnership with local coun-cils, training and enterprise councils and other bodies, is to stimulate job creation, training and community development.

This means that substantial economic adjustment is inevitable, involving the diversification

coment and expansion, and pro-Much of the initiative will come from the private sector, but public sector organisations will be expected to facilitate the process of adaptation and growth.

Mr Len Smith, project man-ager of the Cotswold CEP, says that, because there is a steady drip effect of job losses (rather than the sudden impact of a col-Bery or steelworks closure), few people have appreciated the scale of the local problem.

He sees the answer in a package of proposals now being eloped, including diversification by farmers away from agriculture, the development of tourism, and encouragement for existing local businesses to

on business start-ups, but that can be an expensive high-risk strategy," says Mr Smith. "I prefer to back existing busing that already have a track record. Job creation is quicker, and you get stability of employment. A pilot scheme is being launched this month to enbuidise employer-led training groups. It available to all rural businesses and pays up to 50 per cent of training needs assess-

There is also a proposal to

The Forest of Dean remains industrially vulnerable employ a business adviser, who would pick 30 local small busi-

Loss of aid status is a blow

The Forest of Dean, although part of Gloucestershire, is significantly detached from the rest of the county by its geography, history and economic traditions, and it has to come to terms with very different

problems in the 1990s. Unlike other parts of the county, which have an agricul-tural tradition, the forest has played a largely industrial role in an attractive rural setting of former royal hunting forests. Its recent history highlights the long-standing vulnerability of the local economy, which has been heavily committed at

Or disappeared altogether. Iron has been mined and smelted since pre-Roman times and the coalfield was beavily exploited in the last century. In 1944, 55 per cent of the workforce was in mining and 26 per cent in steel and engineering, but both industries went into decline and the last deep pit

various times to industrial sec-

tors that have performed hadly

closed at the end of 1965. Attempts at diversification included the move by British Acoustic Films into an old brewery site at Mitcheldean. The company was taken over by Bell & Howell, the US film camera manufacturers, which in turn was acquired by the Rank Organisation. This turned out to be a stroke of assemblies and fused rolls. good fortune for the local econ-

Rank Verov, formed in 1956. by Rank and the Xerox Corporation of the US, started copies production at Mitcheldean in 1959. By the mid-1970s, it was employing nearly 5,000, mostly at Mitcheldean but also at Cinderford and Lydney. In the early 1980s, came the double blow of recession and the expiry of the Rank Xerox patents. Competition from Japan was intense, and Rank Xerox was forced to cut production. Employment was

down to 1,200 by the mid-1980s. With vacant space at its 67acre manufacturing site, Rank Xerox then created a business park and enterprise workshops to attract a wider variety of employment. Among the organisations now on the Mitcheldean site are an electronics company and a software manu-

Rank Xerox remains the largest employer with a current workforce of around 1.800. Its commitment to the forest was underlined in 1990, when the company's electronics manufacturing was relocated from Welwyn, Mitcheldean is now the company's tre for electronics, wiring

Rising unemployment in the early 1980s, which reached 16.8 per cent in the Cinderford and Ross-on-Wye travel-to-work areas, led to the forest receiving assisted-area status in 1984. The benefits, including regional selective assistance and access to Enropean regional development funds, restored some confidence, and unemployment fell below 5 per

But there remains a narrow industrial base, heavily dependent on the manufacturing secmedium-sized employers. These include Smith Kline Beecham. Engelhard Industries, Lydmet (formerly British Piston Ring), and SCA (formerly Reed Packaging). Unemployment has recently crept back above 10

A big blow was struck to the fragile recovery last summer, when assisted-area status was not renewed. A particular worry has been the growth in the number of people having to go outside the forest area for work, particularly to defenceand aerospace-related jobs elsewhere in the county. It is feared that these will inevitably be reduced as defence

Another fear is that, with the

loss of assisted-area status, the area will again suffer from undue "competition" provided by assistance still available across the Welsh border in

The best hope for support now is an extention of rural-develonment area status northwards, to link up with a similar application from Hereford and Worcester and Shropshire for the Marches.

Mr Dick Whittington, ass tant director of administrative services at Forest of Dean district council, says: "We are confident we will retain our rural development status, and hope we can extend the area, but there is no way this can com-pensate for the loss of assistedarea status." He sees few signs

of recovery from the recession. The structure plan for the forest, which goes to public inquiry next spring, argues that 4,500 new jobs are required by the year 2001, mainly concentrating on the three centres of Cinderford, recent study by the University of Warwick suggests that medi um-term employment prospects "are at best limited, with only modest employment growth projected under the most opti-

mistic scenario." One area of potential growth is tourism, based on the attractive landscape, the development of many woodland tracks and bridle paths by the For-estry Commission, and the area's rich industrial heritage.

Richard Evans

Wool mill's well-knit descendants

A parable for industrial change can be found at Nailsworth, in a deep wooded valley in the south

Once, there was a woollen mill, part of the local textiles industry which faded. In 1879. when the mill closed, it became a fibreboard factory, employing at one time 500 people. But that market declined in the 1960s and 1970s, and this, too, closed in 1981. Then, the site became

E.A.Chamberlain (Holdings), the property development com-pany which owns and manages the Natisworth Mills Estate, as it is now called, is run by the same family that owned the board mill. Today, there are as many people as in the mill's heyday on the 20-acre site. The estate includes a Somerfield supermarket, a planned garden centre, and an extraordinary

range of other enterprise There is Phoenix Walking Stalks, which employs five peopie and makes umbrelia **ba**ndies and no fewer than 120,000 walking sticks a year, most of them for the National Health Service. About four times a year, Mr John Faulkner, its managing director, visits sweet chestnut coppiess to buy the wood. The most modern piece of technology is a microwave oven used in

the drying process. A bigger employer, with 25 people, is QS (Enamellers & Polishers), which coats and polishes metals, it has a 90ft, powder-coating oven big enough to walk through, if it weren't for the fact that the temperature is 200 degrees celsius. The com-pany handles everything from balustrading and steel-mesh partitioning to car chassis and roof racks. Before the recession, it employed 45 people, but it was particularly hard-hit by the loss

of its biggest customer. Then there is Fluid Transfer, an engineering company which employs nearly 100 people mak-



ing the vehicles which refuel aircraft. Another, Vaccar, makes milking equipment, employing 12 on the estate. A recent arrival is Plastics Engineering, set up 19 months ago by just three people. From the moment we opened our doors it has gone off like a rocket," says director Mr David Stallon.

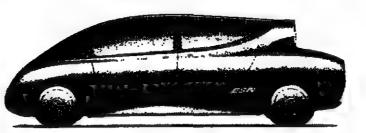
Another successful newcomer is Selsey Herbs, run by Gillian and Peter Wimperis, who supply packed herbs, spices and pot-pourri to stores and have started exporting. They say turnover doubled in 1992, compared with the previous year. When they advertised last month for someone with the esoteric skills of calligraphy to letter gift-boxes, they expected one or two applications but had

E.A.Chamberlain is headed by Mr John Chamberlain, grandson of the board company's founder. The vice-chairman is his son James, who is also director of a small Gloucestershire company recently set up to sell its own invention, the Rako Miniveyor, a portable conveyor for the building trade. E.A.Chamberlain is seeking a tenant for the estate's largest industrial unit. A 30,000 sq ft purpose-built factory, it will be alongside one reminder of past days: a still wollastroppied howing cream well-patronised bowling green.

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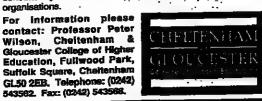
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FRAMES

AVAILABLE FROM OPTICIANS NATIONWIDE HANDCRAFTED IN THE COTSWOLDS BY NORVILLE OPTICAL COMPANY LIMITED

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Profile: Farmington Stone

Facing up to 'kerb appeal'

Traditional rural industries, specifically including quarrying, have suffered a sharp decline in recent years, but one Gloucestershire company has bucked the trend dramatically.

Farmington Stone, in the heart of the Cotswolds east of Cheltenham, has seen demand for its products surge. It has exported paving stones to Beirut and fireplaces to Hong Kong and Dallas, as well as supplying housebuilders and the construction industry in the UK with its honey coloured local stone.

The quarry, part of a 1,000-acre estate, was acquired in 1902 by the grandfather of the present owner, Capt John Barrow, and run for years as a profitable but minor sideline. "It ticked along perfectly happily, with half a dozen men, waiting for people to

Growth in the sales of flagstones and fireplace surrounds means these decorative products now account for around 50 per cent of turnover

walk through the door and place an order," says Capt

Then, in 1987 it was decided to give more attention to stone production, when European Community regulations made farming less profitable. The timing was ideal, because there was growing demand for stone of all kinds as the boom in domestic and prestige public building gathered pace.

Over £500,000 was invested in new workshops, offices, quarrying and processing equipment in order to increase output, improve quality and widen the product range. There are now six mobile mini production lines in the middle of the quarry.

The recent recession brought its problems, particularly in the construction industry, where contracts dried up and there were payment difficulties especially from the bigger contractors.

New markets had to be developed, and two were

housebuilding and decorative products, such as paving

garden statues. Although housebuilding went through a notoriously difficult patch, demand has soared in recent months, partly because of a general improvement in the market and partly because of a change in perceptions towards natural

stones, flooring, fireplaces and

Mr Martin Robins, managing director of Farmington Stone, argues that builders, architects and housebuyers have had to be educated into accepting that stone, traditionally regarded as expensive, need add very little the cost of a house. estimate it adds around 1 per cent but greatly increases what is called the kerb appeal

of a house," he says. The market for stone facing has "really taken off" in the last few months, helped by the increased influence of the green lobby and the emphasis

on the use of natural products, There has also been a big growth in sales of flagstones and fireplace surrounds through retailers and a sales force of 30, and these decorative products now account for around 50 per cent of turnover.

The limestone quarry, in use since Roman times, has sufficient reserves of good stone to last a further 50 years at the present rate of extraction of an acre every five years. But there is one big problem. "We could take on 20 more workers and run shifts round the clock for seven days to fulfil orders, but we can't get the people," says Mr Robins.

The difficulty is location. Farmington is miles from anywhere, is not served by public transport, and pays local wages for labouring work. Nevertheless, it is ironic that in a county that faces growing employment difficulties as rural and defence industries run down the job offers have no takers.

Richard Evans

loucestershire Training and Enterprise Council has attracted countrywide attention for its success with the Investors in People programme, which encourages organisations to achieve a nationally agreed standard for training and developing staff.

Mr Graham Hoyle, chief executive of

the Tec. which was ranked among the top 10 of England's 75 Tecs when the government published performance tables in September, describes IIP as "central and critical to our mission".

Since the IiP programme was launched two years ago, a total of 373 iocal organisations - including schools, colleges and businesses ranging from those with just a few staff to some of the county's largest - have dedicated themselves to achieving the IIP award They cover about 40,000 employees - or one in five of the county's workforce. Mr John Hazelwood, the Tec's chairman, has pointed out that the number of committed organisations is more than the total in Scotland and Wales combined. To date, the IIP award has been gained by 15 Gloucestershire-based

ager, and which has the largest ice-cream factory in Europe. The Tec expects that, by March, the number committed to IiP will have risen to 500. Mr Hoyle has an evangelical view of the programme. Schemes for the unemployed, he says, have a very marginal effect in improving the overall skills hase of the workforce, and what is needed is to improve the skills of the vast majority who are in work.

companies, including Birds Eye Wall's,

of which Mr Hazelwood is general man-

"We have taken a very pragmatic approach to up-skill the county," he says. "We realised we had a difficult asue. We wanted to see the skills base

For a county, there is no



Graham Hoyle has an evangelical view of the RP programme

GLOUCESTERSHIRE 6

Training: the Tec's programme has received huge support

Investors in people

raised of the employed workforce, but there was no money for this from the government. The only route was to persuade employers that it was in their financial interest to invest in training

In recessionary times, when companies are more likely to shed than recruit workers, it can be even more difficult to persuade them to spend money on training. But Mr Hoyle says there is no inconsistency in training people who might subsequently be made redundant.

"It is very, very simple. A company is making an absolute commitment systematically to develop and train its workforce. That workforce will go up and down, but HP says that, no matter and down, but liP says that, no ma what is the company's trading position

or size, we are committing ourselves to training everyone."

A substantial part of the Tec's

resources has been channelled into the programme. Of the Tec's total budget of £13.5m, it invested £750,000 last year in IP with technical support, providing up to 50 per cent of employers' costs.
This year, the funding is less,

between £550,000 and £600,000. "A deliberate decision was made that, having created a critical mass last year we did not need the same kind of unit cost per company to keep the programme, a that's proving to be the case," says Mr Hoyle. "We are now able to bring companies on, and start to drive them through the process, at a much lower.

down this track unless they have a pretty good feeling it will benefit them financially. It would be mad to go down that route, and to put energy into what is a demanding programme, unless there was a tangible benefit from it." He describes IIP us a statument of sound management practice - that companies need to look at their most valuable and

expensive asset, their staff.

Another evangelical supporter of HP is Ms Sam Elliott, owner of the 23-bed Grapevine Hotel at Stow-on-the-Wold and a board member of investors in People UK, launched this year by Mr. David Hunt, employment secretary, to promote the programme. She describes how gaining the award has given the

staff a heightened motivation, which has shown up in the bottom line:

"In one year, we have turned our position round from feeling financially threatened in the midst of recession to being secure in the knowledge that we are controlling our present and future position in the marketplace."

Another company which has gained the award is Signet Armorlite Europe, in Gloncester, which supplies ophthalmic lenses. "We want people to be achievers," says Mr Nelson Hawkes, managing director. "If they are achievers they are happier, more productive, more able to see the company's success as their own success."

A printing company committed to the programme is Cooper Clegg, of Tewkesbury, which employs nearly 150 people. Mr lan Cooper, its chairman, says that, despite a lack of financial support for the costs, he strongly sup-ports the programme. "I cannot exaggerate how important I think it is in

seeping people motivated."
PMC, a Cheltenham management consultancy with 16 staff, which is seeking the award, says the programme has created a "disciplined and repeating cycle" of commitment, planning, action and evaluation, which are the main

principles of the IIP standard. A much larger company which already has the award is Renishaw, the maker of precision measuring equipment, based at Wotton-under-Edge with 500 employees. "Companies should nat-urally look to improve their assets, and people are a highly valuable asset." says Mr John Oldham, its personnel officer. "TIP is absolutely important to help us develop in all directions. It is the basis

Roland Adburgham

College will seek university status

substitute for having the kudos of a university, and Gloucestershire lacks one. But, all being well, by the start of the academic year in 1994, it will have. Cheltenham & Gloucester College of Higher Education, facilities. "We also have to demwhich already has degree-awarding status, is preparing onstrate a research culture, widch means having appropri-ate programmes for develop-ment of our own staff," says Mr its application. To qualify, the college has to satisfy the Higher Education Quality Council that it meets the criteria for award-"As of today, we have some

ing research degrees and has sufficient numbers of research degree students. It will decide before Christmes on the timing of its bld. Mr David Soutter, assistant director, finance, says: "We will only apply once we are confident we are going to get it. We want to be absolutely sure in our own minds that we most all the criteria, and then we will put forward a firm application. If a bid is made early in 1994, we could

be a university by the start of

with research-degree supervidon experience, and providing

40-plus research degree students and over 30 part-time, and that's a significant increase on this time last year. It represents a shift in the balance of our student population to an increasing emphasis on postgraduate research and postgraduate students."

The college was formed in 1990, as the result of a merger between the College of St Paul & St Mary and the higher education courses of Gloucestershire College of Arts & Technology. Now, it has 5,200

2,000 part-time and another 1,000 on leisure or continuing ou course.

About 20 per cent of the total are mature students, and more than half are female. Between 30 and 40 per cent of the students come from within the

The college has strong links with industry, although some business people consider it weak on the engineering and science side. But Mr Soutter says: "There is not a strong demand for us to produce graduates in technological and engi-neering subjects. The reality is that the major employers are not recruiting large numbers of se graduates."

The areas where the college regards itself as strong are in ing, media, arts, fashion and design, and in all aspects of the environment and landscape. "There is a very good fit with the economic areas of strength in the county," says Mr Souther. "We are also strong in English and history; that fits well with the strong historical sense in the Cotswold area."

The college, which regards itself as a national leader in school-based teacher training. has a vocational blan. Mr Sontter explains: "Even in our academic subjects, it's an important part of our modular degree structure that we develop trans-heable skills for all students, so that they are able to adapt

quickly to their chosen field." As part of its expansion, the ollege is midway through a 230m building programme in Cheltenham, funded out of saset sales and 28m of borrowings. Two new premises were

ned this year, one for hotel and catering management, and another for work in landscape architecture. A media centre is to be opened by Mr David Putt-nam, the film producer, next Thursday. A multi-purpose complex including 21 lecture rooms and a student union will open next October.

The college has a Church of England ethos, reflecting the history of the College of St Paul & St Mary, which was founded in 1847 by religious leaders to train teachers. "We very much try to have that ethes as part of the college's mission and strategy," says Mr Soutter, "It is reflected in the range of courses. and is why, for example, we are strong in teacher training and religious education.

"It is why we attach a lot of importance in our modular degree structure to the right of

the individual to have control over his or her course. It's why there is a strong emphasis on support mechanisms for stuits, such as counselling. And we try to make ourselves accessible to the whole community, rather than just being educa-

tion for the privileged." The college is in the process of launching a sponsorship and development campaign. Mr Soutter says: "We are receiving very strong support in getting that off the ground from businesses, although clearly what they are looking for is being associated with a university. We expect those links to come through as the college moves towards university status." One unitedied matter is what

it should then be called, although "University of Gloucesterskire" or "of the Cotswolds" are obvious possibilities. The final decision will rest with the Privy Council.

Roland Adburgham



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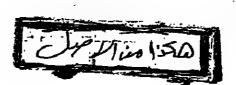
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DESIGNED TO BE DRIVEN



JOBS: Readers' explanations of practical skills range from life after death to pulses in the brainbox

uriouser and curiouser." cried Alice in wonderland. More curious still is that the Jobs column seems to have joined her without doing anything unusual such as following rabbits down holes or drinking strange potions (other than those

prescribed for the Beijing flu). All I did was ask you readers a practical question about the most everyday of topics: to wit, how do

you do your work? That was 10 weeks ago, and 128 of you have kindly replied from 14 countries, citing experience in a great variety of jobs. The snag is that the answers often just deepen the mystery my question was meant to clear up. Indeed, some of your explanations of how skilled work is done are literally out of this world. An example is the reply from Switzerland saying. The key to this phenomenon is

reincarnation."
The question certainly seemed down-to-earth on the day it was asked, even though the work you readers do is of a complex mental kind fronically, I was expecting most of you to confirm that the way you actually use your mental skills is less complicated than we are led to suppose by a notion evidently underplaning the bulk of conventional education And

Working in a worrying wonderland while the fact that you've largely Second, having drawn up the mysterious. While few go as far done the opposite may serve me

right for being presumptuous, I do wish you hadn't. In that case, what follows would have been plain sailing - just a summary of your practical explanations, contrasting them with the said educational notion. But now you have brought raincarnation and the like into the act, some philosophy is imavoidable. So let's start with the proposition that there are different kinds of knowledge, of which two in particular form the

main focus of academic curricula. One kind is factual: knowing that something is so. The other is the explanatory sort: knowing why something is so. For ease of reference, both the know-that kind and the know-why sort can be lumped together as know-about - which brings us back to the educational notion.

It is that operations requiring mental ability consist of two separate stages. First, we think out what to do, using know-about to form an intellectual plan of the actions that need to be taken.

plan in our heads, we carry it out in practice.

Now that is clearly far from always the case. For example, we all know that it is possible to ride a bicycle, so being more clued-up than Dr Johnson who apparently refused to believe it. Moreover those of us who also know why it is possible would be better equipped than his contemporaries to persuade him he was wrong to see it as the equivalent of lifting oneself up in a bucket.

But possession of both the know-that and the know-why would not be enough to enable someone to ride a bicycle. That requires know-how, which is different. It strikes me that what applies to bike-riding applies to most kinds of skilled work. And the same view happens to be shared by about 70 per cent of you who replied. The trouble is that you differ radically in your beliefs about know-how's nature,

being split into three main camps. One is the pure intuitionists for whom know-how ranges from indefinably intricate to plumb

EMERGING MARKETS

as the Swiss reincarnationist, a good many come close, especially in their account of creative skill. To them, its essential source is not in any individual head or body, but in a universal, suprahuman, invisible intelligence. In support, one camp member has sent proofs from a book to be published next year by Blackwell, which cites a study of the use of

intuition by 1,312 managers in

nine different countries. At the other pole are the grey materialists, who see know-how as rooted in the pulses of the flesh, particularly the bit in the brainbox. Although less expansive than the intuitionists' accounts. their views are more testable. What's more, they have the broad backing of an authority in the field, heuropsychologist Tim Shallice of London University.

He says the latest scanning techniques have already traced the networks of brain cells responsible for numerous "subcomponents" of mental action. such as ability to recall short lists of words. Some of the processes,

however, are intelligent without being conscious. An example is "blindsight", by which certain people partly blinded by illness can not only detect but precisely locate a purely visual stimulus they cannot physically see.

Professor Shallice expects that in 20 years or so we will have a brain map of all the main mental functions. But even if we do, it won't solve the ultimate question of why they operate intelligently. Hence there would seem to be

still room for incorporeal if not unearthly influences of the sort favoured by pure intuitionists. To which my response, as perhaps befits a scared sexagenarian, is agnostic. After all, though such postulations seem improbable. there is no conclusive evidence to hand that disproves them.

The only one of the camps I feel able to refute is the smallest: 37 readers who think know-how essentially the same as the knowabout taught in schools. The sole reason why our practical skill often seems intuitive, they say, is that we have so deeply absorbed the know-thats and know-whys

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which compose it as to have forgotten we ever learned them. My disagreement is on two

grounds: real-life experience and an observation made a century ago by the American pragmatist philosopher William James, It is that a distinction between two kinds of knowledge is recognised by several languages other than English. One sort is intellectual know-about - wissen in German, for instance. The other is kennen: direct knowledge as exemplified in knowing another person.

The related experience came in August when with Pam, my wife, and our 34-year-old son Jon. was sailing our Holman sloop Malaguana from Dartmouth to the Exe. The wind was moderate but tricky and the tide unfavourable, if anything worsening with time. I've done a fair deal of sailing.

and belmed for the first hour. At the end we'd gone 314 miles, but 20 degrees off the ideal course. The second hour was steered by Jon, who has thousands of sea miles behind him, hundreds of them in Malaguana. He too firmly grasped the stout wooden

tiller, though with a lighter hand than mine, and managed 4 miles no more than 10 degrees off line.

He then persuaded Pam to take over, which she resisted because she has done hardly any helming except on a previous sail alone with Jon. Nor has she any time for, let alone knowledge of the theory of sailing. Instead of grasping the tiller, she just rested one finger on it ... and achieved 41s miles dead on course.

"Isn't it sickening?" Jon said. "She out-sailed me last time too." Asked how she did it, she said: "I can feel with my finger when the boat's going at her best. So if she falls off, I just nudge her gently about till she's happy again."

That is plainly a case of James's direct knowing. What's more, on reflection, I find the same provides a more fitting explanation than know-about of my way of writing. The salient difference is that, whereas Pam "feels" the boat, I "hear" the English language. So it may be that the main root of know-how

is unusually sharpened senses. True, there is not much hard evidence to support my theory either. But at least it's simpler than reincarnation.

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If you are looking to make a career move and would like to discuss these or other

... please contact Martin Symon, in strict confidence, at the address below.

Jonathan Ween & Co. Limited, Financial Reconstruent Committants

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from £30,000 to some £60,000 depending on the particular position.

communicate effectively. A self starter and highly innovative individual, you will need to possess a resourceful and adaptable style in order to thrive in this hands on and team orientated culture. Remuneration will not be a limiting factor

Please sand full personal and career details, staling companies to which details should not be torwarded, in confidence to Angelg McDermottroe, Coopers & Lybrand Executive Resourcing Ltd, Albion Court, 5 Albion Place, Leeds LST 6JP, quoting reference 280 AM.

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Limited positions for ambitious individuals to work within specialist team of an Associate to a major world-wide organisation.

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ur client is the investment management arm of a prestigious and longestablished international trading concern. Since the company's inception in 1986, it has grown significantly - both organically and by acquisition. It specialises in providing discretionary fund management to both private clients and institutions.

In view of the company's growth and plans for expansion, it is seeking to recruit an experienced compliance officer to take responsibility for all regulatory matters, including the provision of staff training and support for fund managers and administration staff. The compliance officer will be the key point of contact with IMRO on all regulatory

Reporting directly to the Finance Director, the compliance officer will maintain close contact with administration, IMRO and fund managers.

Ideally aged 28-40, candidates will be graduates with an accountancy, legal or regulatory background. They must have at least three years' experience of working in an investment management environment. An eye for detail and the ability to develop with the company are essential requisites for this new and challenging role.

Interested candidates with the relevant experience should send a curriculum vitae, in strictest confidence, to Carol Jardine, Managing Director, Whitney Selection, 17 Buckingham Gate, London SW1E 6LB, quoting reference WS/112/1.



WHITNEY

SELECTION

ASSISTANT FAR EAST **FUND MANAGER**

Develop a career in Far Eastern Fund Management with a major international house.

John Govett & Co. an innovative City of London and international investment house is searching for a new fund manager to assist its market-leading Fat Eastern investment ream.

Prior Far Eastern equity fund management experience is not essential although we do require one or more years investment experience, a personable nature, and a determination to succeed. Candidates are likely to be in their mid cwenties.

Managing around £1 billion, our Far Base Desk has an enviable investment performance record. If you have the experience and expertise necessary to join this winning team please write to me at the





Investment Research

Age 24-30

Cazenove & Co. is the only major UK stockbroker to have remained an independent partnership. The firm plays a leading role in raising equity and long-term debt finance for British industry. It also has a significant overseas business and, following an extensive participation in the UK's privatisation programme, is increasingly involved in overseas

The firm has a substantial commitment to investment research with the UK team providing sector expertise as part of the UK broking business as well as in support of the overseas departments. Members of the team keep in close contact with a wide range of companies and offer investment advice to fund managers in the UK and around the world.

The continuing development of the firm's business has created a small number of vacancies in the UK research department. Applicants, who must possess communication and analytical skills and who may be in City-related occupations, industry, commerce or the professions, should contact:

Jock Coutts at Career Plan Ltd., 33 John's Mews, London, WC1N 2NS. Tel: 071-242 5775. Fax 071-831 7623

TREASURY RISK MANAGER

c £40.000 + Car + Benefits

A high profile opportunity has arisen at Britannia, one of the UK's top ten building societies with assets of £10.5 billion, for a highly professional Pisk Manager to join the Treasury department.

Reporting to the Deputy Treasurer, you will be responsible for the effective management of all interest rate, basis and currency risk both for treasury operations and for the Society's balance sheet. This will require an in-depth knowledge of a range of risk management instruments, including swaps, forward rate agreements, options and futures, together with the ability to utilise innovative techniques and applications to minimise risk and maximise profitability.

With at least three years senior treasury experience you will be expected to make a valuable

contribution to the Society's Asset and Liability Committee, which formulates key decisions regarding the balance sheet. Professional credibility and high level communication skills will therefore be essential. Highly numerate and well versed in relevant computer systems, applicants should be graduate calibre and professionally qualified, with the ambition and drive to realist the potential of this opportunity. If you feel you have the skills and experience we are seeking, we are offening you the chance to be a

key player willhin a small, high profile learn whose contribution will impact directly on the future of the Society. A highly competitive salary, full financial sector benefits package and generous relocation assistance will be offered to the right individual. The first stage will be to apply with full CV to: Philippa Harrison, Personnel Controller,

Entrannia Bullding Society, Head Office, PO Box 20, Britannia House, Leek, Staffs. ST13 5RG.

Britannia Building Society

Closing date: 8th December 1993.



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Chemical Bank is a broad based Global Bank with first class trading skills and investment banking flair, enjoying a commercial banking

With net income for 1992 in excess of \$1 billion, a strong capital base and a rising credit rating, the bank is a major force in international bunking. Chemical is a leading provider of corporate finance services to the UK/European insurance sector, ranging from completed cross-border M&A sactions to identifying and implementing bespoke solutions to meet client needs. The position reports to the Head of the Group and will be responsible for marketing the full range of corporate finance products to clients in a highly competitive environment. Transactions are complex, requiring considerable development time and close management of pricing and credit approvals. In addition, the

position demands the development of relationships to enhance product trading capabilities and the use of value added products. Candidates must have extensive experience in the insurance market, with particular knowledge of credit assues relating to the provision of products and services to this sector. Also required is the ability to analyse and value insurance related organisations, as well as identifying and structuring solutions, primarily for our broad client base. A good understanding of the corporate finance market is essential, together with the ability to work creatively, both independently and as part of a team. A foreign Applicants should apply in writing, including a

full curriculum vitae to Mel Northfield,

125 London Wall, London EC2Y 5AJ.

Human Resources Manager, Chemical Bank,

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Top Opportunities Section appears every Wednesday contact Clare Peasnell on 071 873 4027 for advertising details.

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UK Equities

Our client, a major City-based asset management firm, offers a unique opportunity for a talented and experienced UK equities professional. This exceptional individual will have responsibility for leading the UK stock selection process for funds in excess of £4 billion held across a range of product portfolios. It will involve the direct management of funds with an emphasis on the 200 largest market capitalisation stocks, as well as the supervision of a number of specialist fund managers.

Candidates are likely to be in their mid-thirties and should possess the combination of flair and professionalism required to produce

consistently superior performance in varying market conditions. They will have gained at least seven years' experience in the successful management of UK equities and be looking for the opportunity to join an ambitious company at a senior level. The compensation package will be competitive and includes a substantial performance-based element.

If you would like to be considered for this appointment, please write in complete confidence to:



IMR Recruitment Consultants, No. 1 Northumberland Avenue. Trafalgar Square, London WC2N 5BW (tel: 071-872 5447).

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To work in the Taunton & Lindon offices of Nat West Stockerokers.

We're looking for individuals with the personality and integrity to help make life easier for our high net worth clients on both an advisory and discrementary basis.

Candidates should have at least two years' experience of investment management as a Private Client Fund Manager, have qualified as an SFA Registered Representative and hold a UK driving licence. We offer pleasant working conditions, a competitive salary, mortgage facilities and good fringe benefits. We would help and encourage the successful candidates to become Members of the Securities

If this position of trust is of interest to you, please send your C.V. to:

Mr Glynn Lowe Human Resources Manager NatWest Stockbrokers Ltd. 55 Mansell Street

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- Japanese Equities
- Far East Equities
- UK Corporate Bonds

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within its investment subsidiary are now approaching £2.5 bn.

The outstanding performance of Britannia Life's investment team recognised by a number of awards including the top performing corporate pension fund and top placings over the short and long term in the vanous UK league tables, has been a major factor in the company's growth.

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Japanese and Far Eastern equity investment previously managed externally, is to be brought in house with the establishment of a Japanese/Far East Equity Team. We are also seeking to expand the UK Equity and Fixed Interest Teams.

To be a candidate, you will have around 2-5 years relevant experience and professional training in investment analysis combined with the ability to work in a team environment.

in return, you can expect an attractive salary and generous benefits



Please write enclosing a comprehensive C.V. to Catherine Kilpatnck, Personnel Officer. Britannia Life Limited, Britannia Court, 50 Bothwell Street, CHANGE Glasgow G2 6HR.



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- Exchanges and other regulators.
- Contribute to development of overseas Stock Exchanges.
 Assist international offices with corporate finance transactions.
- QUALIFICATIONS
- Qualified accountant. Experience with major firm, plus secondment to London Stock Exchange or similar preferred,
- Age c.30. Experience of work overseas.
- Experience of marketing, structuring and leading transactions and dealing with Regulatory Authorities. Please send full cv, stating salary, Ref M4773, NBS, 54 Jermyn Street, London SW1Y 6LX



Glasgow - Leeds - Mand

DERIVATIVE PRODUCTS c.£50-500,000

Our client is a leading UK bank and in response to increasing client de to lower the cost of raising capital, manage risks, and enhance asset returns, has authorised a major capital commitment to increase its capabilities in the global derivative products market. We are seeking to contact experienced indi

- I. Senior Risk Managers 2. OTC Options Traders
- 4. Interest Rate Swaps & Options 5. Sales and Distribution
- 3. Currency Swaps & Options 6. Financial Engineering
- opplicants should contact either Toary Justin as Ann Williams on 671-632 9265. I fac 071-568 2942 os write to them as s- 6 Broad Street Flace, Landon, ECZM 7PL.

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CAL FUTURES LIMITED Are you restricted by large company mentality? If you are looking for a challenging and rewarding career in financial futures, foreign exchange or fund management and have a minimum of two years experience, call Mr. Baber on 071-329 3333 or

send your curriculum vitae to: CAL Futures Limited, 162 Queen Victoria Street, London EC4V 4BS.

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Our client is a well established international bank. They are experiencing a record year and in order to effectively manage expansion plans, en experienced operations manager is sought. The role will be a varied one, with overall responsibility for cash control, all back office areas, systems development and implementation. The ideal candidate must be a proactive manager with a proven track record in banking operations. Previous experience of change management would be of interest. Candidates must be self-starters with excellent communication skills.

Interested applications should send their CVs to Helen Highet. Covering letters should detail current salary and a day time telephone number.

Jonathan Wren & Co. Limited, Financial Recogi No. 1 New Street, London EC2M 4TP Telephone 671-623 1266 Facatostic 671-626 5259

JONATHAN WREN EXECUTIVE

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ection with the further expansion of the Carl Bro Group's activities on Central and Eastern But CIS, we seek consultants for long term assignments for present and up-coming projects.

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- Minimum 10 years of postgraduate experience, including international development projects. Experience in aid programming and evaluation, sector studies and project most
- Experience in financial services, privatisation, restructuring,
- Specific experience in regional planning would be an advantage Fluency in English - plus working knowledge of one other major language, preferably for

Interested candidates are invited to submit their applications, including detailed carrier

Carl Bro International a/s Consulting Engineers and Planners Att.: Fredrik Pitzner-Jørgensen Granskoven 8 DK-2600 Glostrup

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Japan/Pacific Basin **Fund Manager**

An attractive opportunity to manage a diverse portfolio

Our client is one of the world's largest and most successful insurance companies. An opportunity has now arisen in London for an experienced Fund Manager with a knowledge of the Far Eastern equities marker to play a key role in developing our client's investment approach.

Reporting to the Investment Manager, the Far Eastern Equities Fund Manager will be responsible for the management of funds invested in a range of Far Eastern equities. The individual will be responsible for all Far Eastern markets, including Japan, Pacific Basin and Australia

The successful candidate, probably a graduate,

Brown and the state of the state of the state of

must have at least five years fund management experience. Individuals must have a constructive approach and be team players. Additionally, they must be self motivated and have the presence to represent our client in a professional manner. Ideally, candidates will have an in-depth knowledge of both the Japanese and Pacific Basin markets, including the newer emerging markets.

For an initial confidential discussion, please call Elizabeth Bancroft or Paul Wilson at Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LH. Telephone: 071 831 2000. Fax: 071 405 9649.

Michael Page City



Supervision of Retail SROs

A new department is being set as within the Securities and overments Board (SIB) to supervise retail SRCs, mattally FIMBRA and LAUTRO and later of recognized, the planned new Personal Investment Authority, Supersy ton has the purpose of ensuring that an SRO is providing adequate investor protection and that it is meeting its statutory obligations and the operational standards set and

This is an important appointment in the overtwice and regulation unit of the department. The successful candi Life will have closely with the head of the unit in understanding and evaluating the SRO's performance against its objectives and standards and the aprines and adequacy of its policies for regulation of its member-

The role will entail developing a thorough knowledge of the SRO; contributing to the Jesign and evaluation of information flows between the SRO and SIF: reviewing regulatory performance against standards;

identifying area of weakness or shortfall and initiating coupury and/or temedy, developing and maintaining without telest inships with the SRO and contributing to the work of other SIB departments in the setting and monitoring of regulatory standards for investor protection

Applicants should be of graduate calibre possibly with a professional qualification and preferably experience gained in a regulatory environment. Personal attributes include the optimale for critical analysis, good oral and written communication skills and the ability to provide concise, focused reports. Team play is essential as are the personality and skills to promote good working relationships with other regulators.

interested applicants should in the first instance contact Anna Williams to request an information pack at Michael Page City. Page House, 39-41 Parker Street, London WC2B 5LH or call her on 071 831 2000. Closing date for applications: 10 December 1993.

Michael Page City laternate ful focati (ment flor, altage). London Paris Amsterdam Dusseldorf Sydn

Our client, a leading London securities house with a long standing involvement in the South African market, is looking for an experienced Analyst to join the department which is developing this rapidly changing investment business.

RESEARCH AND SALES

You will be responsible for encouraging new and existing clients to consider investment in South , African securities - a rask that calls for a detailed knowledge of the South African economy, its stock market, and the variety of companies operating in the country. You will also need a keen insight into South African political developments and their

likely impact on investor attitudes to the stock market. Along with this specialist knowledge, you must be familiar with a broad range of industries and work well as part of a small investment team. To apply, please send a copy of your C.V. to Karrina Sevenoaks, Consultant, Austia Knight Recruitment, 20 Soho Square, London WLA IDS quoting reference A376.

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31-45 Gresham Street

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Our client is one of the fastest growing US providers of derivative software systems to the international financial

imunity, particularly investment banks, covering swaps and associated derivatives.

It seeks two young professionals for its London office to provide pre and post sales support to traders and systems managers in conjunction with the company's sales and technical development teams within Europe.

Successful applicants will be able to demonstrate: practical experience of derivative markets and the applications of these products, good system knowledge and

possibly programming experience. good marketing and presentation skills, mathematical/analytical ability and a good degree.

This experience is most likely to have been gained from one to three years in the front or middle office of a major swaps/options house or other relevant financial services background. European languages, would be an advantage.

A competitive remuneration package is offered with these positions.

Please send a detailed curriculum vitae, quoting reference MH9580, to: Rochester Partnership Limited, Executive Selection

FLEMINGS

PACIFIC REGION INVESTMENT MANAGER

Fleming Investment Management is seeking to appoint an experienced Fund Manager to join the Pacific Region Team to assist in the management of unit trusts, investment trusts and pension fund portfolios. The team invests in all the markets of the region other than Japan. Key responsibilities will include:-

- ☆ Managing specialist country/regional portfolios
- □ Research coverage for various countries A Contribution to regional asset allocation strategy

Candidates will probably have at least 5 years' investment experience with a proven track record and detailed knowledge of the Pacific Region, Ability to work effectively in a team environment

A competitive salary will be negotiated and a first class package of benefits will be provided.

Please write, enclosing a full cy and details of your current remuneration to:

> Marianne Montgomery. Personnel Manager ROBERT FLEMING & CO. LIMITED. 25 Copthall Avenue, London, EC2R 7DR.

Facsimile: 071 796 4255

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C.F.M. sa, involved in financial brokerage on the European market seeks for its office in Luxembourg

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Business Monitor International (BMI), a rapidly expanding publishe of specialist business information on global emerging markets, requires full-time economist to write and edit forward-looking reports wering political risk, mecroeconomic performance and the business wironment in Latin America, Asia-Pacific, the Middle East and Eastern Europe. At least four years relevant work experience, concise writing style, editing experience and forecasting expertise are assential. Competitive salary.

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Send CV 4 work semples to:
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Our client is a growing German Bank who is opening a new branch in London and has the following openings. Knowledge of German will be a strong advantage.

CJA CITY

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£40,000-£50,000

Open to Credit Managers with at least 3 years' practical credit control experience within a major bank or allied area. Responsibilities will cover documentation, co-ordination on drafting agreements, credit appraisation all new large proposals including syndicated lending, obtaining Head Office approval and presentation of loans to the Board of Directors. Ref. CDM4928/FT

DEALER £35,000-£50,000 + Bonus

Minimum of 2 years' dealing experience in FX/MM in the major currencies. The successful candidate will be responsible for dealing particularly in DM and be expected to help build a successful team. Knowledge of IRS and FRAs is important. Ref. D4929/FT

BANK ACCOUNTANT Open to Accountants aged 35-45, with a good knowledge of international bank accounting and Bank of England reports. Experience with German accounting helpful. Responsibilities will cover total accounting and financial control, including reporting on the Bank's Treasury function,

budgets, forecasts, with knowledge of MIDAS system an advantage. Ref. BA4930/FT

TREASURY SETTLEMENTS MANAGER

BACK OFFICE

230,000-235,000

Minimum of 3 years' experience. Will work in co-ordination with the Treasury handling settlements, confirmations and payments, covering all major currencies. Knowledge of securities settlement will be a bonus. Ref. TSM4931/FT

SECRETARY £20,000-£24,000 The successful applicant will be fluent in German and, working on own initiative, will look after the work of the two Heads of the Branch, both in a secretarial and administration capacity. Experience with Lotus 1-2-3, Armi-Pro for Windows would be an advantage. Ref. SOM4932/FT

All the above appointments carry attractive benefits of subsidised mortgage, pension, life assurance and free medical insurance. Applications in strict confidence quoting the appropriate reference to the Managing Director, CJA.

Consulting

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Haines Watts Slough, the largest office of a national association of Chartered Accountants and Business Advisors, specialising in servicing owner-managed businesses, wishes to recruit a managing consultant to lead their newly launched consultancy practice.

This newly created role will require a forward thinking, commercially aware person to spearhead and develop the management consultancy including the recruitment of consultants, developing a range of consulting services to new clients obtained by the consultancy in order to be both a growing enterprise and self-funding organisation.

The successful candidate will be able to demonstrate a proven rec

ability in establishing a successful management consultancy, obtaining new business and possessing the right commercial skills. Remuneration, with profit related incentive scheme, by acgoustion. Applications with Carriculum Vitae to David Griffiths, Senior Partner, HW Consulting, Sterling House, 165-175 Farnham Road, Slough,

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Custody Sales Marketing

In this position you will be responsible for handling the sales and marketing of custodial services to banks, insurance companies; fund managers and pension funds based in Switzerland. The candidate will join an established successful group and will be trained to take over the team leadership of this growing product area.

The following experience is essential for the successful candidate: proven track record in custodial sales and marketing

at least 3 years experience in a similar position management of an own sales budget and client acquisition

proven track record of client contact at a senior level experience in the Swiss financial institutions market, would be an asset languages: English and German, French/Italien would be an asset · University degree or equivalent education

Please submit your application and Curriculum Vitae in confidence to: Citibank (Switzerland) Walter Hiltbrunner, Senior Personnel Officer

P.O. Box 244 Seestrasse 25 8021 Zurich

FIXED INCOME SALES

Our client is the securities arm of a leading Northern European bank. As one of the region's leading primary houses, they have an unrivalled reputation in the secondary market and wish to expand their bond sales desk in London.

Candidates should be graduates, in their late 20s with 3 to 5 years experience of selling international fixed income products to UK institutions and have a particular interest in the Northern European bond markets. With proven sales ability and strong self motivation they are now likely to be seeking the greater scope and earning potential of

ioining a smaller, but highly successful, dynamic team. For an initial discussion in confidence please contact us, quoting reference 4842, at 20 Cousin Lane, London EC4R 3TE. Telephone 071-236 7307, or Fax 071-489 1130.

STEPHENS SELECTION



Office of the Rail Regulator Unique opportunities in a challenging new regulatory process

The Railways Act 1993 establishes the framework for a new structure for the railway industry.

An independent Rail Regulator will shortly be appointed with a key role in helping the new structure work fairly and effectively.

The Regulator's main functions will be to license all operators and to approve the terms on which they will gain access to the rail network, operated by a newly established Covernment-owned company, Railtrack. The objectives will be wide ranging and will include protecting the interests of users, promoting efficiency and promoting competition within a safe environment. We are now looking for a group of exceptionally talented individuals to form the core team in the new Office of the Rall Regulator.

This team will need to build on a wide range of backgrounds and skills from both the public and private sectors. There is a unique opportunity to become involved at the outset in a challenging new regulatory process.

Chief Economic Adviser up to £57,000

You will be a recognised authority in the new field of economic regulation of railways. You will need to be an innovator in a largely undeveloped field. You will be responsible for managing a high quality economic advisory service covering all aspects of the Regulator's functions, but in particular for the regime of economic regulation of Railtrack. You should be an established microeconomist and have experience of leading a team of economists working in a commercial or public policy environment. Ref. B/2027/1.

Economic and Financial Analysts up to £41,000

You will be part of a team reporting to the Chief Economic Adviser. We are looking for expertise in the following specific area Regulatory Economics, Econometric Modelling and Statistics, Financial and Accounting Advice. The issues will be challenging and intellectually difficult. We are looking for highly qualified professionals who have already shown that they are capable of working on demanding policy issues. Ref. B/2027/2.

Director, Freight Regulation up to £49,000

You will be a key figure in the regulation of the freight industry. Your primary challenge will be the licensing of freight operators and regulation of the terms on which they gain access to Railtrack's network. You will be expected to exercise sound judgement in an intellectually demanding and commercially Important area. You will need to be knowledgeable about, and have substantial dence of freight operations in the UK. experience or m Ref. B/2027/3.

Technical Adviser up to £49,000

You will be the Regulator's expert adviser on all railway technical matters. You can expect to provide advice and to commission reports on a wide range of operational issues including safety, timetabling, ticketing and various technical matters. You will need to be both authoritative and independent. You should have a solid background in railway operation coupled with a lively imagination as to the opportunities for change. Ref. B/2027/4.

Assistant Director, **Consumer Affairs** up to £49,000

Your major responsibilities will be to give red direction to the Users Com which are to be reconstituted to speak up for consumer interests; and to develop consumer affairs policy, including a code of practice for igers. You will also have overall responsibility for the efficient handling of individual complaints, including the arrangements which Users Committees have for dealing with them. You will have managerial responsibility for up to 40 staff and will be expected to develop good working relationships with operators and users groups and to explain the policies of the Rail Regulator to these and other interested parties. Ref. B/2027/6.

Other Senior **Appointments** up io £41,000

We are looking for a number of team leaders who will take responsibility for defined aspects of the Regulator's functions, including consumer affairs, licensing of operators and approval of a wide range of agreements inting access to the railway network. To meet this challenge you should be capable of managing complex issues and conflicting priorities. You should have experience of team management and of policy analysis and implementation. Above all you should be capable of organising your work and that of your team to meet tight deadlines. Ret. 8/2027/7.

These posts are all based in Central London

and the salaries quoted include London Weighting and performance related pay. · Higher salaries may be available to candidates with exceptional qualifications or experience. Assistance with relocation expenses may also be available. Other benefits include a non-Appointments will be for three to five years with the possibility of renewal for a further period. Secondment from your current employer could also be possible. For further details and an application form (to be returned by 10th December 1993) write to Recruitment and Assessment Services, Alencon Link, Basingstoke, Flampshire RC21 138 or telephone Basingst (0256) 468551 (24 hours) or fax (0256) 846565/846374. Please quote the The Office of the Rail Regulator will be an equa opportunities employer and will operate a no smoking policy within its offices.

STRUCTURED PRODUCTS

Middle office role with potential trading opportunity

> Excellent package and prospects Investment Bank · City based

Our client is the global corporate and investment banking arm of a major financial institution with some 5,000 staff across 14 countries.

To support their growth in complex and structured products they now require a key addition to their small middle office team. Our ideal candidate will be a graduate with a good degree in a mathematics related subject and considerable experience of Derivative Products gained at a major house.

The package offered will be designed to attract the highest calibre applicants

This is an outstanding career opportunity for an individual who wishes either to pursue an operational line management role or would welcome the opportunity to join the trading team.

Please write with your CV, stating any organisation to which your application may not be sent, to: Trevor Roberts, Director, Confidential Reply Handling Service, Ref 753, Associates in Advertising, 5 St John's Lane, London EC1M 4BH.



Bank \ustria

INVESTMENT ANALYST - CZECH EQUITIES

(London based)

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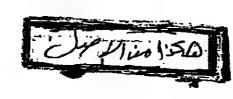
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ACCOUNTANCY COLUMN

Standards setters try to hammer out differences

Kate Atchley reports on encouraging signs of a move towards harmonisation of financial reporting

he third annual meeting earlier this month of standards setters from around the world highlighted some important lessons in the changing attitudes of international

accounting across borders.

Representatives from 16 developed countries as well as the International Accounting Standards Committee (IASC), the EU and the European Accounting Federation (FEE) gathered in London following previous meetings in Brussels and New Jersey. Harmonisation of standards was not formally on the agenda, but one

underlying purpose was to curb further diversity in financial reporting David Tweedie, chairman of the UK's Accounting Standards Board (ASB) and the conference host, suggested that the IASC conceptual framework would provide a useful basis for analysing accounting issues.

However, he implied that some countries were seeking "ideal standards" and greater convergence in reporting might emerge by these countries taking the lead and influen-

cing others.
This reflects Tweedie's belief that good accounting will be achieved by clear-thinking pioneers of new practices. It represents a challenge to the IASC, which has traditionally been represented by senior members in professional bodies and has been tied by the need for consensus.

The discussion and presentations, which took place over two days in London, displayed just how wide are the differences in the objectives of financial reporting around the world. While the function of accounting is perceived as serving different needs

in different social and economic environments, agreement on individual issues is hard to secure and harmonisation remains an uncertain goal

Nevertheless, the atmosphere is changing. Compared even with last year's gathering, sponsored by the US Financial Accounting Standards Board (FASB), the mood was subtly different. Only the delegates from FASB itself seemed entirely at ease with the debate format, but most participants were more relaxed and showed a surprising willingness to drop their defences and discuss issues on a conceptual basis, sometimes in sharp contrast to the principles adopted in their own jurisdictions.

The agenda contributed to the is on concepts. Most of the first day was taken up considering a number of simple case studies appended to a substantial paper on Accounting for Future Events. Introducing the paper, Jim Leisenring, FASB deputy chairman, said that his organisation, and the standards set-ters in Australia, Canada, Britain and the IASC all shared very similar conceptual frameworks but none the less entered into "some heated debates" over the issues involved.

One case study was of a retail store which paid out \$30,000 on a single injury claim from a customer in three years and had decided, on the basis of past experience, to charge \$10,000 each year as a "self-insurance" expense, recognising that a corresponding liability would grow while no claims arose.

Participants were asked to consider whether this store should recognis this "self-insurance" liability in its accounts. Seven argued that it was a general business risk and should be accounted for only as and when the expense arose. Five were adamant that there was a liability and it should be recognis

Geoffrey Whittington, academic adviser to the ASB, said accounts were supposed to state the position at a point in time and the liability should be recognised only when a risk had occurred. Herman Marseille from the Netherlands, and Karel van Hulle, head of accounting at the European Commission, agreed, adding that there would be a liability only if there were a legal duty to insure.

tle Johnsen from Norway and Heinz Kleempker from Ger-Heinz Kleempker from Germany argued that the risk could be assessed and quantified by insurers, whether or not the store paid for insurance - so it was a liability and should be recognised. Interestingly, Dietz Mertin from the German Institute of Accountants disagreed with his countryman and argued that the compensation payments were a general business risk for which there should therefore be no recognition.

Such disagreements are more common in the US. On the second day, Jim Leisenring told delegates that FASB wants to revise the rules for consolidated accounts, but cannot get agreement on a new definition of a subsidiary. Its board cannot reach the necessary 5-2 majority on any definition that goes beyond the traditional ownership of 50 per cent plus one of the voting shares.

ion on accounting for good-

tious: international practice varies widely and, as Leisenring said at the end of the debate: "I don't think it fits in with any of our conceptual thinking. We ought to work harder at it than we already have."

A position paper was presented by Dominique Ledouble of the Conseil National de la Comptabilité who said there was pressure in France for flexible rules on intangibles, to match those of the UK. Three years ago France had moved to allow goodwill to be carried, but amortised. However, "numerous kinds of new intangibles"

 such as brands, patents, lists etc -were emerging and these were more and more difficult to measure and, in most cases, were not depreciated

Allan Cook, ASB technical director. emphasised the importance of the issue in the UK. In the early 1980s the proportion of goodwill in the accounts of acquiring companies amounted to 6-7 per cent. By mid-1987 this had risen to 44 per cent. Cook called for all intangibles to be treated in the

Tweedie ended this debate on good-will with a plea that the standards setters should listen to what industry was saying. The problem in the UK was with service companies, he said. They argued that the value of goodwill was rising, so why should they amortice? "A lot of industrialists simply don't understand what we are trying to do with goodwill - 93 per cent of industry respondees said 'rubbish' to a 20-year write-off," said Tweedie.

Meanwhile, internally generated intangibles tended not to get on to the

quently fail reliability/recognition tests. "So we must look at it again, from scratch," said Tweedie.

Warren McGregor, executive director of the Australian standards setting body, gave a presentation on accounting for leases. He argued that the leasing standards that involved capitalisation of finance leases were fundamentally flawed. The correct approach was to capitalise all leases, subject only to a materiality thresh-

Van Hulle said that some European countries had difficulty in accepting that the same asset might appear in several balance sheets at the same time. There were different legal frameworks in different countries and reporting rules for financial institutions in particular made lease accounting a highly problematic issue. He added that to put economic benefits on the balance sheet as an asset was to open up a "Pandora's

Tweedle emphasised the inadequacy of the present arrange saying there were airlines flying round the world with no aircraft on their balance sheets. Leisenring argued that the key question for the standard setter was whether the accounting captured the economic

The conference showed, beyond doubt, that what constitutes economic reality depends upon where you live: is it the tax collector's reality, the stock market's reality or that of the

The author is editor of World Accounting Report, published by the

Group Financial Controller

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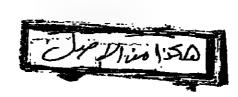
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Reporting to the respective General Managers of these two departments, you will be professionally accountable to the Divisional Accountant, providing a comprehensive management accounting service and working as members of the relevant senior management forms. Your main duties will also include preparing business plans and budgets, in rione

management accounting service stat working as areances to the rearrant boston management teams. Your main duties will also include preparing business plans and budgets, in close collaboration with the management teams, and evaluating feasibility in terms of management

collaboration with the management teams, and evaluating feasibility, costs, savings and efficiencies; providing analytical/interpretative arrives on availability, costs, savings and efficiencies; providing analytical/interpretative arrives on financial performance and monitoring the effectiveness of finance reporting precedures. You must be a qualified accountant with relevant post qualification experience plus practical innowledge and awareness of computer based control and information systems. Ideally you will have knowledge of business planning, budgeting, accounting and financial control systems, plus the ability and confidence to apply this in a practical way to assess, local business needs. You must be qualified ACA, ACCA or CIMA.

Salary indicator c \$33K Based West London.

For an application form and further details please send a postered (quote ref. \$380/P). Tel: 681-749 7000 Minicom 081-752 51Kl.

Application forms to be returned by December ost.

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Application forms to be returned by December 9th.

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Finan

Group Financial Controller

C£50,000 pa + car

This client is an international marketing services group, which in two years has established itself organically in 15 countries in Europe and the Far East and has achieved a turnover of £50 million. The Group is strongly capitalised, profitable and cash positive

The Group Financial Controllership is a new role created to provide the Group Finance Director with a No.2 who will be responsible for ensuring that the accounting and financial controls function develops in line with the growth of the business. Credibility at the topmost level in the business and ground the world with Control of the business and ground the world with Control of the business and ground the world with Control of the business and ground the world with Control of the business and ground the world with Control of the business and ground the world with Control of the business and ground the world with Control of the business and ground the world with Control of the business and ground the world with Control of the business and ground the world with the control of the business and ground the world with the control of the business and ground the world with the control of the business and ground the world with the control of the business and ground the world with the control of the business and ground the world with the control of the business and ground the world with the control of the business and ground the world with the control of the business and ground the world with the control of the business and ground the world with the control of the business and ground the world with the control of the business and ground the world with the wo around the world with local management and the international blue chip client base will be important.

Applicants must be qualified accountants who combine flexibility and adaptability with high standards of professionalism. Diplomacy and persuasiveness is needed in addition to the dynamism to get things done. Experience of how large corporations work and the standards they try to achieve must be balanced with the ability to work in a small dynamic organisation with a very open, sales dominated culture. International experience would be an advantage.

Location: West London, Age guideline: mid 30's.
Please reply in confidence to Brian H Moson, quoting Ref L541 at:

Mason & Nurse Associates, Lancaster Place, Strand. London WC2E 7EB. Tel: 071-240 7805.

Mason

FINANCIAL CONTROLLER Cologna, Gernany, For U.S. parent, \$15mm in salos, 2 or 3 yrs. acctg. in mfg. industry. Fluont German & know U.S. GAAP, Write Reculler, 15840 Ventura Bhd , 8838, Encino, CA 91436, USA or FAX (818) 981-6905 Selection & Search

Our client is a major French Pharmaceutical Group that has recently acquired a UK based manufacturing company within the same business sector. This acquisition has created the need to recruit two high calibre accountants within the Finance function.

Finance Director

Essex

c £45,000 + Car

This is a key role within the company as the individual will be expected to provide significant commercial input to the management and continued profitable growth of the business. Specific responsibilities include:

- design of the finance and administration organisation
- recruitment and development of accounting staff implementation of management information systems
- financial reporting to Head Office supervision of the tax, legal and personnel functions

 the planning and pricing aspects specific to the industry Candidates (probably aged 35-45) should be graduate qualified accountants who can demonstrate a strong track record to date and currently hold a senior line management position. Previous experience in the pharmaceutical industry is an essential pre-requisite, knowledge of French a plus. (Reference 9652).

Management Accountant

Essex

£25-30,000

The Management Accountant will have specific responsibility for the following:

 budgeting, forecasting and planning reporting to Head Office in France

costing within a manufacturing/production environment

Candidates (probably aged up to 30) should be part qualified or qualified accountants with a minimum of two years management accounting experience gained within a manufacturing company. Fluency in French would be useful but is not essential.

Interested applicants should forward a comprehensive curriculum vitae quoting the appropriate reference number to Frédérique Bouvier at Michael Page Finance, 3 boulevard Bineau 92300 Levallois-Perret, Paris, France. Tel 010 331 47 57 24 24 or Fax 010 331 47 57 39 18.

Michael Page Finance

Finance Director

SW London

Responsibilities will include:

computer system.

and new business appraisal.

Development of a commercial financial strategy

Systems development and management of general support systems, including installation of a new

Management of finance, audit and support teams,

with responsibility for a team of 10 staff.

This is a key senior management post which equires proven leadership and development

£32-35,000 + Bens

with other senior members of the management team

AZTEC is an independent company providing training and educational services to facilitate and external business contacts. development of businesses in South West London. Candidates for this position will be qualified Current revenues are in the region of £13 million. accountants with a minimum of 5 years post An opportunity has arisen for a Finance Director qualified financial and management experience.

reporting directly to the Chief Executive to take The successful candidate will be able to demonstrate: control of strategic development, financial support An enthusiastic and outgoing personality coupled and administration services.

with marurity and excellent interpersonal skills. A commercial approach and the ability to maximise opportunities in a changing

environment. Proven management experience and a knowledge of systems development/installation.

Interested candidates should send their CV to Malcolm Kelly at Michael Page Finance, Page House, 39-41 Parker Street, London WC2B 5LH.

Quoting ref: 171608. AZTEC and Michael Page Finance are committed to equal opportunities.

skills and will involve significant contact ... Michael Page Finance

of Windsor St Albans Leatherhead Bire

Financial Controller

City

Our client is a newly formed public listed investment company with the backing of a long established and highly regarded UK merchant bank.

As trading has just commenced, the General Manager now looking to recruit a Financial Controller to establish and run the finance function. Although the role will develop as the company expands, initial responsibilities will include:

- Providing advice and information to Directors of the company with regard to the feasibility of investment
- Contributing towards the company's strategic plans. Day to day financial and treasury management.
- Recruiting and supervising an assistant accountant. Company secretariat duties, including liaison with
- the relevant regulatory bodies and the Stock

Aged between 35-45, you will be a graduate who is a professionally qualified accountant and

Package £50-60,000 preferably a qualified company secretary with a proven

track record of success within the investment management or insurance industry. Due to the level of seniority and the potential for the individual to develop the role encompassing a wider variety of general gement responsibilities, the successful candidate will be confident and assertive with the flexibility and competence to work within an ever expanding environment. It is also essential to have excellent interpersonal skills and a well developed written style for internal and external presentations.

This is an unrivalled opportunity for an ambitious individual who is ready to take on the challenge of a new and dynamic organisation. The remuneration package will reflect the importance of this position and is subject to negotiation. Interested applicants please write with a detailed curriculum vitae, including

current salary, to Stephanie Warren at Michael Page Finance, Page House, 39-41 Parker Street, London WC2B 5LH.

Michael Page Finance

Specialists in Financial Recruitment

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Financial Planning & Analysis

Cardiff

c. £30,000 + Car + Banking benefits

Chartered Trust is a leading UK finance house which provides a range of financial services to personal and business customers. The company has ambitious plans to develop its already strong position in its chosen sector. The company is a wholly owned subsidiary of

appoint a Financial Planning Manager. This role has responsibility for the preparation of all of the company's mategic and financial plans, including budgets and monthly forecasts. In addition there will be project work relating to all aspects of the company's operations.

Following an internal promotion they now seek to

Suitable candidates will be graduate, qualified accountants with up to 5 years' post qualification experience. A commercial approach and good

interpersonal skills are essential to deal at director level and establish personal credibility. Whether from public practice or industry, you should be able to demonstrate experience of non routine, commercial work and, ideally, planning.

This is an important development role for the company and prospects are excellent within the organisation. Relocation assistance will be offered where appropriate.

Interested candidates should forward a detailed CV, including current salary details and a covering letter outlining why you meet the above criteria to, Keith Evans, Regional Manager, Michael Page Finance, 29 St Augustine's Parade, Bristol BS1 4UL. Please quote ref 162677.

Michael Page Finance

INTERNATIONAL MONEY AND SECURITIES BROKING

A highly successful, City-based worldwide money and securities broking company is looking for a derivatives broker with proven experience of Japanese markets.

Fluent in both English and Japanese, you must be familiar with Japanese business culture. A graduate, preferably in a business-related discipline, you should also have relevant product knowledge coupled with a sound understanding of the money markets.

If you can meet this demanding specification, please send your full cv to Box B1920, Financial Times. One Southwark Bridge, London SEI 9HL

PROJECT ACCOUNTANTS

We have a number of positions available for qualified or part qualified accountants with experience of major international Oil and Gas Projects. We have an urgent requirement for the following people. Senior Qualified Auditors/Internal Control,

Qualified Accountants for Russia based. Must be bi-lingual. accountants experience/exposure and computer knowledge. Knowledge of IDEdwards system should be a bonus. For the Russian positions there is a strong preference for Russian speakers. Please send your CV, stating availability & salary

London area based.

RUST RESOURCES LTD Keeley House, Keeley Road, Croydon, Surrey CRO ITE Telefax No: 081-649 8891

required as soon as possible.

Financial Controller

City

c £70,000 + Car + Bonus + Bank Bens

Our client is a leading force in international banking The individual we seek will be a qualified and derivative products. Their success is based on responsiveness to client needs and changing market conditions, combined with a commitment to excellence, innovation and flexibility of approach.

Continued expansion in all business areas has led to the creation of this new role, which focuses on future development as much as day-to-day control issues.

This is an outstanding opportunity, with the scope to demonstrate tangible added value to the business. The Financial Controller will have a wide ranging role, encompassing responsibility for management and financial reporting and the provision of commercial analysis and support to senior

accountant with experience of the financial services sector gained either from the profession, consultancy or senior line positions within the industry.

Candidates are unlikely to be aged under 35 due to the depth of expertise required in this role. Previous exposure to complex group structures, profitability measurement and systems development are highly desirable. Self motivation, leadership, ambition and excellent interpersonal skills are prerequisite to the appointment.

Interested applicants should send a full curriculum vitae quoting reference 170398, to: Diane Forrester ACA, Executive Selection Division, Michael Page Finance, Page House, 39-

41 Parker Street, London WC2B 5LH.

Michael Page Finance

Specialists in Farancial Recruitment Windoor St Albana Leathert

FINANCIAL CONTROLLER C24K NR CROYDON

Logix (UK) Ltd is an expanding computer distributor with £1.5m turnover and part of the £28 billion Lucky Goldstar Group. We require a dynamic Financial Controller to occupy a key management position in both an operational and

accounts essential. Phone 081-763 2888.

strategic role. Experience

in computerised

Help the Aged is a professional charity working for elderly people in need. Currently, we raise some £35 million per year, which makes us one of the UK's top len fundraising charities. Our activities are diverse and complex.

Reporting to the Financial Director, you will be responsible for the strategic direction and day-to-day control of the internal audit and management accounting functions. This will involve providing advisory, planning and analysis services to the Board, whilst also investigating financial systems and procedures throughout the organisation and recommanding improvements.

You must have all least eight years' accountancy experience in the profession and/or in business, including three or more years' post-qualification. Experience of Internal Audit and Management Accounting will be essential. You should also have good systems, planning and leadership skills plus the credibility to influence senior managers and directors.

Please send your full c.v. to Colin Mitchell, Personnel Director, Help the Aged, St.James's Walk, London EC1R OBE. An equal opportunities employer. Non-smoking offices. Closing date for applications, 6 December 1993.

Senior Management Accountant/ **Internal Auditor**

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In addition to your responsibility is an Audit Manager with a client portfolio, it will be an escentual part of your role to act as a business newser. You will find wurself consulting on a whole range of matters, from acquisitions and mergers to franchise applications and stock exchange listings. This is an ideal opportunity for ambitious professionals, who have greating paranetship prospects, to work within a dynamic environment on complex challenging chemis.

opportunity open to you.

Michael Page Finance Speculars in Farancial Recreament of Windsor St Albans Leatherhead

570,000-90,000

You should be a graduate chartered accountant who can service a secong academic background, supskills and clear development potential.

You will probably have a background approximating to four years

PQE, of which 2-3 years have been spent as a Manager. During that

period you will have ideally gained a broad range of industrial and commercial expenience and exposure to clients (including listed companies) with rumover in excess of £50 million. Perhaps you have already moved to industry or have been thinking of leaving the profession. Either way we would like to challenge tou to consider a cancer with Arthur Andersen as an exciting

> If you are interested in applying, please send a comprehensive curriculum vitae, in strict confider Chris Nelson at Michael Page Finance, Page House 39-41 Parker Street.

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Moscow

US

Tax Efficient Bens

Senior Finance Managers (x2)

The Company
As a world leader in Telecommunications this client is able to offer a unique challenge in its Russian operations. The organisation initiated Russian business development in 1989, current investment is more than \$40 million and projects under active consideration exceed \$300 million. Their process and the most initiated Russian business development in 1989, current investment is more than \$40 million and projects under active consideration exceed \$300 million. million. Their presence and influence in Russia continues to grow making them one of the most successful Western investors in the region. Their achievements to date coupled with their vision. for the future provides the foundation for further growth.

Your task is to introduce model's of Western excellence in finance and accounting into new business start-ups. You will create a blue print for financial best practice throughout the organisation covering management reporting through debt collection to balance sheet controls. You will guide Russian staff through systems implementation and development and supervise the running of the department (30/20) staff. Within 12-18 months you will hand over to a Russian Finance Director and to a Russian Finance Director and move onto other joint venture projects.

A proven record of successful financial change management is essential and previous experience in a consultancy or project role would suit. A recognised accounting qualification is preferred for both positions. However more important is the energy, motivation and resilience to operate in relatively unsophisticated environments. It is an ideal opportunity to fully utilise. your managerial and technical expertise. Candidates who have worked in Eastern Europe and or have a knowledge of Russian are encouraged to apply.

Please send your full CV and covering letter to the address/fax below quoting ref. FT2111,



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Riverbank House

◆ Putney Bridge Approach

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Pitney Bowes

EUROPEAN AUDIT MANAGER

Harlow, Essex

Pitney Bowes is the market leader in advanced electronic mailing systems. With a turnover in excess of S3billion, the company plans for increased market share and is committed to continued growth and profitability throughout Europe in 1994. Expansion will be targeted towards acquisition in Western Europe where the review team will function in an advisory and strategic capacity, developing new business with commercial and operations managers.

The company now needs an exceptionally strong manager in Europe, responsible for a high calibre team of young accountants. Contributing significantly to growth in Europe, it is expected that this role will focus on promoting the value of the team, conducting assignments and special projects to assist European management with their market objectives. The team will evaluate the viability of operational recommendations, reviewing systems, controls and efficiency whilst retaining close links with the US Corporate function. A degree of travel will be necessary but will not exceed 35°c. The ideal candidate will have already gained some European exposure within a multi-site environment, offering proven managerial and communication skills and the ability to interface at the highest level of management. Commercial and pro-active, you will be aged under 40 years. qualified ACA or MBA, with a minimum of 5 years experience in industry. The ability to communicate in a second European language would be desirable, although not essential. The company offers an attractive benefits package, including non-contributory pension scheme and 50 days holiday.

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SEARCH AND SELECTION SUITE 2, EBC HOUSE, NEW ROAD, RICHMOND, SURREY, TWY INA TELEPHONE: 081-940 4900 FACSIMILE: 081-940 6524

Outstanding opportunity for a dynamic finance professional

Finance Director

City

Our client is the fastest growing UK based consulting and LT. services company. Sustained expansion and an enviable profits record underpin its strong position in the financial services sector.

To assist its ambitious strategy for growth the company now wishes to appoint a Finance Director to join the Board. Supported by a team of ten you will have full responsibility for managing and developing the finance and operational support functions.

This will include management accounting, financial reporting, international tax planning, treasury and cash management, personnel, internal administration and systems development. Additionally, you will make a critical contribution to managing organic growth, to implementing acquisition strategy and to preparing the company for flotation.

preferably gained within as LTM environment, will be vital. Intellectual ability, technical co-

ncy fires. Your retent technical expe

c.£70,000 + share options

shrive as part of a young, dyn combines real opportunity to contrib

Interested cardidates should write to BBM Associates Ltd (Consultants in Recretiment) at 76 Washing Streen, Law enclosing a full Curriculum Vitae which should include contact telephone members. All applications will be han



Tel: 071-248 3683 Fran 671-248 2814

Finance Director

West Yorkshire

£45k Package + Car

This £25m fast growing manufacturing business is a subsidiary of a high profile Group. Its major activity is the design and production of packaging materials for the Food Industry. With an extensive Blue Chip customer base, it has built its reputation on customer service, innovation in new product design and process development. A target driven, commercially orientated finance professional is now required to join the executive team.

The Role

- Raise profile of finance across the business, bringing an influential, proactive and commercial approach to the decision making process.
- Enhance the quality and presentation of reporting procedures through a TQM philosophy to management practices. Improve computer systems where necessary.
- Lead, motivate and develop small Accounting and Purchasing team, implementing change as required.
- Report to Managing Director. Play a strategic role within the executive team, assist in the continued improvement of business performance.

The Candidate

- Qualified accountant, graduate calibre. Age 30's with a proven track record gained in a fast-moving, manufacturing environment.
- Self-motivated achiever, with strong commercial awareness, able to work to strict and often demanding deadlines, plan strategically whilst maintaining tight controls.
- Talented man-manager with a demanding yet supportive style, capable of nurturing and developing
- Excellent communicator, able to gain respect and influence at the Board

Please apply in writing, enclosing full CV, quoting reference number LBA/157.



litan House, City Park Busin s Village, 20 Brindley Road, Manchester M16 9HQ. Tel: 061 - 577 4439 Fav: 061 - 877 6708.

Financial Accountant

sized international professional civil and building engineering consultancy practice

and several limited companies. The Accountant will report to the Finance Partner and will be responsible for the development and operation of the financial accounting and project costing systems throughout the

should write with full

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Buro Happoid, a well established medium

with headquarters in the beautiful Georgian world hentage City of Bath, seek a Financial

The practice is organised as a partnership Age is not important but it is expected that

applicants will have at least five years experience in a position of responsibility, preferably in a similar type of work environment. First hand knowledge of budgeting and financial planning, appropriate cost control techniques, the preparation of monthly management and final accounts and computerised systems is essential. The position is pensionable and the salary negotiable, dependent upon qualifications and expenence.

APPOINTMENTS WANTED

FINANCE DIRECTOR

PCCA, Economics Degree, extensive PLC experience including

nghts, take-overs etc. "Durty hands" manager, Semler convert with wide knowledge o Welsh economy and extensive contact network seeks interestin director or advisory roles on sho term or project basis. Professionalism and integrity

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too!

Write to Box B1910, Financial Times. One Southwark Bridge, London SE1 911L

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76, Watling Street, London EC4M 9BJ

DIRECTOR OF FINANCE

c £55,000pa, benefits+share options North London

As MD of a growing multimedia information network. I am looking for an experienced qualified accountant to join my creative, open-style senior management team.

I need someone with an impressive blend of financial and accounting skills, managerial flair and personal presence. You will probably be a graduate and may also have an MBA. During your career you will have acquired particular expertise in system specification and implementation as well as business planning.

You will need to establish efficient business and accounting systems to handle Wigwam's large customer base. You will be responsible for financial reporting, treasury and administration. You will develop your finance team and will work closely with me, together with our corporate finance advisers, in raising additional funding.

Wigwam Information plc was established in 1992 and now employs thirty people. Over the past year we have developed state of the art PC and central computer software which will enable residential property professionals to offer enhanced levels of service to

My previous successful company, Inter-City Paging Ltd. grew rapidly through the 80's based on high quality service to its customers whilst providing a challenging and stimulating environment for its staff. I intend that Wigwam should be even more successful!

If you are looking for a career move to a company where you can make a significant contribution and believe that your enthusiasm and talents will enable you to be a key part of our future success, then please write to me personally:

Daniel Nabarro, Managing Director. Wigwam Information plc, 930 High Road, London N12 9SA. Fax: 081-343 8521

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(derzeit 9 Mitorbeiter) suchen wir eine/n-

Controllerin/Controller

lhre Aufgaben im einzelnen:

- Aufbereiten des Zahlenmaterials f
 ür das Management Account, Konsolidies der Zahlen und deren monatiche Meldung nach England.
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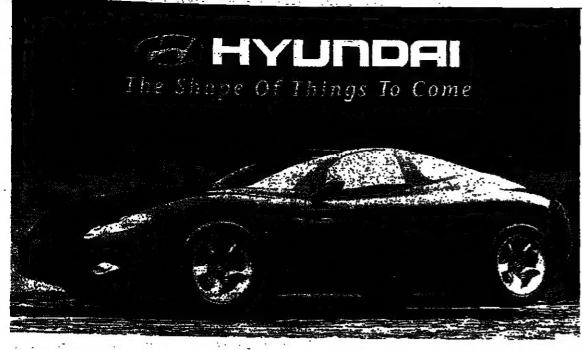
An overseas international Bank is looking to recruit an Internal Auditor for the London Branch.

Reporting to the Chief Auditor in Head Office, you will be responsible for undertaking Scheduled Internal Audits of all banking operations covering Loans, Trade Finance and Treasury Products.

The ideal candidate must possess the ability to work without supervision and be able to meet deadlines.

You will need to be a Chartered Accountant with at least 3 years post qualifying experience, ideally gained in the financial sector. If you have the experienced and ability we are looking for, please apply

> Box B1922, Financial Times, One Southwark Bridge, London SEI 9HL Closing Date: Friday 10 December 1993.



FINANCIAL MANAGEMENT

This key position reports to the Finance

Director. The person appointed must

be a qualified accountant and have had

strong financial disciplines. The ability

to manage change is important since

he or she will need to develop the

resources of the department to meet

the new reporting requirements of

company. Preferred age - early 30's.

local management and the parent

Ref. 1743/FT.

experience of managing staff in a

customer-orientated business with

Thames Valley Lex plc have recently acquired a Financial Controller to £45,000 + car

majority interest in the UK franchise of Hyundai cars. They are making a Emulti-million marketing commitment and supporting their investment by establishing an operational and management base which can exploit the perceived potential. These appointments represent part of this process. The common requirements are for people with strong intellect, good communication skills and a commitment to meeting objectives. The opportunities for growing within the job and for longer-term career progression are exceptional.

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> This is an ideal "green field" opportunity for a recently qualified accountant to make an influential contribution at an important stage in the company's development. He or she will be required to devise and operate new planning/ forecasting systems for financial and operational management. Direct experience is less important than a sustained highachiever's track record and the ability to combine a keen attention to detail with a sense of commercial realism. Age late 20's. Ref. 1744/FT.

Please write with full cv, including salary history and daytime telephone number, quoting the appropriate reference to Dick Phillips ACIS, Phillips & Carpenter, 2-5 Old Bond Street, London WIX 3TB. Tel: 071-493 0156 (24 hours).

Phillips & Carpenter

Selection Consultants

EXCITING RETAIL OPPORTUNITY

Head of Finance

to £40K, plus car, bonus

Our client is a successful, rapidly expanding fashion accessories company with customers throughout the UK and internationally. Location, London.

This new appointment, reporting to the Managing Director, will complete the highly able and entrepreneurial management team. It is an ideal opportunity for a young energetic controller to make a major contribution toward the development of the company early in his/her career.

Candidates, aged probably in their early thirties, are to be qualified accountants with a proven record of success gained ideally in the retail sector. Strong interpersonal and management skills and the commitment to a challenging and enjoyable environment are essential qualities.

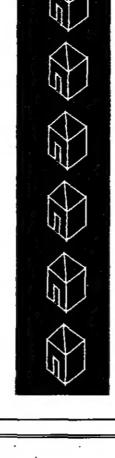


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Please reply quoting Ref No 2035, to Selection Division, Waggettt & Company IIC, 5 Clifford Street, London W1X 2BX. Tel: 071 494-2551, Fax: 071 439-0222

WAGGETT & COMPANY IIC

Executive Search Worldwide



Broomleigh Housing Association established in 1992, manages more than 12,000 homes in and around Bromely. We are committed to strengthening our

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Financial Accountant

£27,000 - £32,000 (under review)

Broomleigh, a new organisation, has within 18 months won a sound reputation in the Housing Association Sector as a progressive organisation in customer service, staff development and quality financial manage

We wish to appoint a Financial Accountant who has at least five years experience in a fully computerised, commercially driven organisation.

We see this as a career move for a bright, dependable, competent professional with the necessary credentials to manage 14 staff, a loan portfolio of £120m and an annual cash

Reporting to the Financial Director your focus must be to deliver accurate financial services always to deadline. This extremely responsible role also requires the provision of advice to

For an information pack please telephone 081 663 0747 or write to the Personnel Department, Broomleigh Housing Association, 1 Copers Cope Road, Beckenham, Kent. BR3 1NU.

Broomleigh Housing Association is working

Closing date for applications 10th December 1993.

towards Equal Opportunities in all areas of its work.



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Royal College of Nursing of the United Kingdom

Finance Director

Salary c. £50,000. Generous conditions

This is an outstanding opportunity for a suitably qualified accountant to join the top management team of the Royal College of Nursing, the major professional organisation for nurses in the UK. Reporting to the General Secretary, the person appointed will be expected to show high levels of professional and technical competence in assuming responsibility for the RCN's finance department and computerised information service. The post offers an exceptionally wide range of duties including the recruitment and direction of staff, administration of the computerised membership records, management of investments, preparation and publication of annual accounts and service management responsibilities.

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Applicants should be able to demonstrate real achievement and sound experience in the fields of finance, management, investment and information technology and be able to show empathy for the work of the RCN. The position, based in London, manages staff in both London and Cardiff and will involve some travelling.

For further details and an application form, please contact John Humpston, Personnel Director on 071-872 0840 ext. 273, or write to the Personnel Department, Royal College of Nursing, 20 Cavendish Square, London W1M 0AB, quoting ref. RCN/1545. Closing date for applications: 5th December. Interview date: 22nd December 1993.

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